SN-03-Rate Case

02-May-03

Specialist: Gabrielle Foulkes **Program Office:** Power

Comment Close Date: 5/1/2003

Comment Log #	First Name	Last Name	Affiliation	Receipt Date	Notes
SN-03-W-1052	Bart	Phillips	Columbia River Economic Development C	4/30/2003	
SN-03-W-1053	Joe	Kennedy	Columbia Basin Hospital	4/30/2003	
SN-03-W-1054	Rene B.	Kantack		4/30/2003	
SN-03-W-1055	Vickey L.	Brown		4/30/2003	
SN-03-W-1056	Donna M.	Leighter		4/30/2003	
SN-03-W-1057	Ray	Chapman		4/30/2003	
SN-03-W-1058	Christina	Chapman		4/30/2003	
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SN-03-W-1060	Keevin/Karen	Schulz		4/30/2003	
SN-03-W-1061	David	Glad		4/30/2003	
SN-03-W-1062	Richard J.	Parker		4/30/2003	
SN-03-W-1063	Ilene C.	Engler		4/30/2003	
SN-03-W-1064	Lisa	Shreider		4/30/2003	letter
SN-03-W-1065	Eugene/Beverly	Schulte		4/30/2003	
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SN-03-W-1067	Barbara	McBride		4/30/2003	
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SN-03-W-1072	Trisha	Stevens		4/30/2003	
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SN-03-W-1074	Monica	Crabtree		5/2/2003	
SN-03-W-1075	Terry	Connolly	Eugene Area Chamber of Commerce	5/1/2003	
SN-03-W-1076	Robert	Eckenberg	Exkenberg Farms	5/1/2003	
SN-03-W-1077	Joan	White		5/1/2003	
SN-03-W-1078	Wiyaka	Wagner		5/1/2003	
SN-03-W-1079	Jim	Gosnell	Boise Paper Colutions, Vancouver Speciali	5/1/2003	
SN-03-W-1080	Colin	Rockenbach		5/1/2003	
SN-03-W-1081	Douglas H.	Fricke	Washington Trollers Association	5/1/2003	also signed Judith J. Graham,
SN-03-W-1082		unknown	IRATE Customers of Grays Harbor PUD	5/1/2003	Petition has 3 pages & 61 name
SN-03-W-1083	James/Patricia	Smith		5/1/2003	letter w/picture
SN-03-W-1084	James/Patricia	Smith		5/1/2003	letter to President George Bus
SN-03-W-1085	James/Patricia	Smith		5/1/2003	letter to VP Richard Cheney
SN-03-W-1086	James/Patricia	Smith		5/1/2003	letter to Honorable Spencer Ab
SN-03-W-1087	James/Patricia	Smith		5/1/2003	letter to Senator Maria Cantwe

Comment Log #	First Name	Last Name	Affiliation	Receipt Date	Notes
SN-03-W-1088	James/Patricia	Smith		5/1/2003	letter to Governor Gary Locke
SN-03-W-1089	Barbara L.	Drainville		5/1/2003	
SN-03-W-1090	Margaret K.	Grumbach		5/1/2003	
SN-03-W-1091	Teresa M.	Cunningham		5/1/2003	
SN-03-W-1092	Greg	Jipson		5/1/2003	
SN-03-W-1093	Cliff	Wasnoska		5/1/2003	
SN-03-W-1094	Steve	De Ruyter	Five D Farms	5/1/2003	
SN-03-W-1095	Margaret	Schaff	Affiliated Tribes of Northwest Indians Eco	5/1/2003	
SN-03-W-1096	Janet	Mitchell		5/1/2003	This first of identical e-mails (
SN-03-W-1097	Dale	McGuire		5/1/2003	
SN-03-W-1098	Lance C.	Vanderhyde		5/1/2003	
SN-03-W-1099	Cindy	Moses		5/1/2003	
SN-03-W-1100	John N.	Rhodes	Association of Western Pulp and Paper W	5/1/2003	
SN-03-W-1101	Judi	Danielson	Northwest Power Planning Council	5/1/2003	
SN-03-W-1102	Mary	Verner	Upper Columbia United Tribes	5/2/2003	
SN-03-W-1103	Michael	Garrity	American Rivers - Northwest Regional Off	5/2/2003	sgn: Nat'l Wildlife Fed., Sierra
SN-03-W-1104	David S.	Umbaugh		5/2/2003	
SN-03-W-1105	M. L.	Brown		5/2/2003	
SN-03-W-1106	James E.	Fenstermaker	Marysville School District No. 25- Finance	5/2/2003	
SN-03-W-1107	David S.	Umbaugh		5/2/2003	letter to Senator Murray

APR 3 0 2003

COLUMBIA RIVER ECONOMIC DEVELOPMENT COUNCIL

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Fax 360-694-9927
www.credc.org

April 29, 2003

Bonneville Power Administration
P.O. Box 12999
Portland, OR 97212

RE: Safety Net Cost Recovery Adjustment

Dear Sir,

The Columbia River Economic Development Council is extremely concerned with the impact of the BPA proposed Safety Net Cost Recovery Adjustment upon an already weak economy in SW Washington and our business community, especially the power dependent technology sector.

The CREDC urges you to implement a SN CRAC only as a last resort after pursuing all available reductions in operating costs, achieving the maximum level of cost reductions from renegotiating power contracts and a careful reevaluation of your financial needs in the light of a continuing reduction in drought conditions.

If BPA still finds it must implement a SN CRAC, then it must be for the minimum level and for no more than a one year period. The guiding tenet for any rate increase is that stability of rates is paramount if the SW Washington region is to recover from the current economic downturn and to remain competitive for future business investment when the economic recovery returns.

While acknowledging BPA's needs for financial stability, we ask that BPA do no more than other businesses: minimize your operating costs by drastic cost reductions before you seek to pass costs on to SW Washington strapped business base.

Sincerely,

Bart Phillips
President

SN-03-W-1057

APR 3 0 2003

04-30-2003
Letter in response to Bonneville Power Administration proposed power rate increase

Dear BPA administrator and legislative representatives:

My name is Joe Kennedy. I have recently moved myself and my family to Ephrata, Washington from the coast of Alaska. In searching for a community/state to relocate to, I had many deciding factors to consider. Some of the deciding factors include long term viability of a community/region, as well as quality public schools. One of the most significant factors for me was cost of living as my wife is a home maker and I would like to keep it that way. One thing that I have had to learn as a single income family is that to pay my bills every month I have to live on a reasonable budget. I have a limit as to the amount of "revenue" that I can raise. I think that local, state, and federal government as well as utilities need to learn the same lessons. It is unreasonable to think that every time you have a budget "crisis" that you can come to me and my neighbors and demand more money. I can't do this to my boss, well I might but the results could be catastrophic. My boss could tell me that he would find another Physical Therapist to do my job for the same salary that I am currently making, or maybe even less. I do not have the option of finding another power company. As I understand it Grant County PUD buys a significant amount of power from BPA and any rate increase, especially 25% would impact the Grant County PUD costs and would therefore be passed onto me and my neighbors. I guess it might be time to start looking for a large generator to run my home, as this is the only other option I have.

From a regional perspective, you have to weigh very heavily to social and political cost of increasing power prices. Washington state is not an inexpensive place for employers to operate on many fronts including taxes and wages etc. One factor that has allowed Washington state, at least Eastern Washington, is low cost of power. If this factor changes significantly, we could expect to continue to see the parade of businesses and residents out of the area.

I want to raise my family in Eastern Washington and will so long as I can afford to. I have done and continue to do all that I can to keep my personal costs of operation down (including installation of a heat pump vs. air conditioner and use of high efficiency light bulbs), all that I ask is that BPA take a close look at the operating budget and cut out any unnecessary expenses before raising my rates.

Thank you,

Joe Kennedy, PT
Ephrata, Washington

Joe Kennedy, Columbia Basin Hospital [kennedja@nwrm.com]

APR 3 0 2003

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Tuesday, April 29, 2003 3:11 PM
To: Kuehn, Ginny - DM-7
Subject: FW: BPA rate increase proposal

-----Original Message-----
From: Chris and Rene Kantack [mailto:kantack@earthlink.net]
Sent: Tuesday, April 29, 2003 3:08 PM
To: vice.president@whitehouse.gov; president@whitehouse.gov
Cc: the.secretary@hq.doe.gov
Subject: BPA rate increase proposal

The aluminum industry and other high energy use industries in the Pacific Northwest cannot afford an increase in rates. If a higher energy rate is approved, the immediate effect will be the closure of the Alcoa-owned aluminum smelters and the loss of those jobs. Alcoa has already informed the employees of our local Intalco plant of that fact.

Aluminum smelters aren't the only ones hurt by higher energy costs. Once they're gone, other industries will follow as the increased burden of paying for energy falls upon them. Unemployed workers can't buy goods and services, and those who do find jobs at lower pay won't be able to afford as much. So the economy shrinks even more.

Much of the regional economy was built upon affordable energy and the assurance that it would remain so over the long term. It still needs to remain affordable to sustain the economy in a world market. Multinational corporations such as Alcoa will site their plants where they can have the lowest production costs and best stability, generally outside the U.S. If Alcoa leaves, can Boeing and others be far behind?

It won't be just the "dirty" industries, either. "Clean" industries such as server farms also seek lower costs. Less dependent upon a physical location, they can easily go where the energy is affordable.

Please do what you can to assure affordable energy rates for the Pacific Northwest.

Respectfully,

Rene B. Kantack
1353 Sudden Valley
Bellingham, WA 98229

APR 3 0 2003

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Tuesday, April 29, 2003 4:05 PM
To: Kuehn, Ginny - DM-7
Subject: FW: Power increase

-----Original Message-----
From: old farts [mailto:gg4both144@earthlink.net]
Sent: Tuesday, April 29, 2003 2:02 PM
To: sjwright@bpa.gov
Subject: Power increase

It has been brought to my attention that Bonneville Power Administration is planning a 15% increase in rates this fall.

I feel this is really poor timing as the unemployment rate in Washington State is already among the highest in the nation. I understand the aluminum plants in this region will be closing if this rate increase occurs. There will be well over 700 good paying jobs lost in the Bellingham area alone---not to mention the trickle-down effect it will have in the area.When we have forced our companies to go off-shore, who will be left to buy any goods we still produce?

I know a number of senior citizens who cannot afford this increase. Even now it is sometimes a choice between heat and food.

Can you help?

Respectively,

Vickey L. Brown
144 Schwarz Way
Chehalis, Wa.
98532

SN-03-W-1055

Kuehn, Ginny - DM-7

From: Donna Leighter [dleigh@bossig.com]
Sent: Tuesday, April 29, 2003 7:54 PM
To: Comment@bpa.gov
Subject: BPA power cost increase

Mr. Steve Wright,

I am a customer of PUD of Grant County that purchases power from Bonneville Power Administration. I'm worried about my electric bill. BPA power costs have increased greatly since October 2001. Now BPA is wanting to pass a 25% Safety Net CRAC in October.

In view of the bad economy and loss of jobs in the Pacific Northwest, in addition to business closures and extremely high taxes, the economy of this region would be further depressed by another increase in power bills.

BPA has exceeded its own budget the past two years, and we read that it will take another three years of the current high rates plus the proposed large price increase before costs are under control. Customers like me and others I know need relief now. BPA must realize the part it has played in our very dismal regional economy. BPA must act responsibly by solving its budget crisis, not passing these costs on to my neighbors and myself.

The answer to these high electricity prices is in your agency's control. I urge you to do as others have in this region, find ways to cut costs. Don't let your agency force the area into a total economic collapse. We, as consumers, must balance our personal budgets and live within a more limited budget; you need to do the same as a matter of public trust.

Sincerely,

Donna M. Leighter

cc: Senator Patty Murray
Senator Maria Cantwell
Congressman Doc Hastings

Kuehn, Ginny - DM-7

From: jmcrgc@aol.com
Sent: Tuesday, April 29, 2003 9:22 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Ray Chapman

jmcrgc@aol.com

360-734-4669

305 Crown Ln.

Bellingham WA 98229

A raise in power rates will devastate the region I live and work in. As an 29 1/2 year employee of the local aluminum smelter I obviously have a vested interest in keeping rates low in order to keep my job. As a member of the community and a father of three young adults this trend of brushing off the industries that have maintained our tax base and given the area family wage jobs concerns me greatly. What jobs will be left to do and who will be able to afford to pay the electric rates and taxes when these stablizing job opportunities are gone?
Do not continue to push our area into further recession. Do Not Raise Power Rates At This Time!

APR 3 0 2003

Kuehn, Ginny - DM-7

From: B1uEyedQT@aol.com
Sent: Tuesday, April 29, 2003 9:32 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Christina Chapman

B1uEyedQT@aol.com

360-738-6020

305 Crown Ln.

Bellingham WA 98229

As a recent graduate looking for employment in the Whatcom/Skagit County areas I am very concerned about the additional power rate increase being proposed. Ferndale School District would be just one of several districts that would be hit very hard if the local smelter were unable to continue to operate and provide the additional tax money that has helped with their anual budget. Washington schools are being hit hard financially and this type of loss during an already budget poor year would cause a big set back and reduction in many wonderful and necessary programs for the local children.
Power rate increases not only hurt big business they have the potential to put our students, our very future at risk.
Please look for alternatives that won't put our most precious of resources in jeopardy.

SN-03-W-1058

APR 3 0 2003

Kuehn, Ginny - DM-7

From: Keevin Schulz [siphon_t@yahoo.com]
Sent: Wednesday, April 30, 2003 7:31 AM
To: Comment@bpa.gov

Dear Mr. Wright,

Regarding your rate increase. These farmers in Grant County are just barely hanging on. Your rate increase could put them over the edge. These are people raising your food, they also are trying to send kids to college. I know I have two son in laws who are farmers.

Now lets go to the home. there are a lot of elderly people in Grant County who are living on social security. My husband and myself are 82 and 80 years old. It would be another hardship for this rate increase. Please rethink your decision.

Sincerely,
Doris M. Wells
James E. Wells

SN-03-W-1059

APR 3 0 2003

Kuehn, Ginny - DM-7

From: Keevin Schulz [siphon_t@yahoo.com]
Sent: Wednesday, April 30, 2003 7:46 AM
To: Comment@bpa.gov

Dear Mr. Wright,

I and my husband farm 400 acres of ground in the Grant County area. The Columbia Basin to be exact. Last week we had to take my 17 year old son of school to help us with our spring planting which is our busiest time of the year. We couldnt afford to hire anybody else. The price of wheat is about the same price that my husbands grandfather got in the early 1900's. We are always trying to grow a crop that will make the most money. But alas mother nature has alot to do with that too. With water prices, fertilizer,seed and fuel prices going up and the crops that we grow staying the same it is almost a no win situation. Also try having a bank breathing down your back. My husband is a 3rd generation farmer and like him we love our job and the land. The increase will do nothing but continue our struggles and others in this area. Please rethink your decision.

Sincerely,
Keevin and Karen Schulz

Kuehn, Ginny - DM-7

APR 3 0 2003

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Wednesday, April 30, 2003 9:15 AM
To: Kuehn, Ginny - DM-7
Subject: FW: All Industries Will Suffer if BPA Rates Are Raised

-----Original Message-----
From: GladsHotRods@aol.com [mailto:GladsHotRods@aol.com]
Sent: Wednesday, April 30, 2003 9:09 AM
To: president@whitehouse.gov
Cc: sjwright@bpa.gov
Subject: All Industries Will Suffer if BPA Rates Are Raised

Dear Mr. President,
I am sending you this to let you know that my job in the Northwest Aluminum Industry is in grave danger if BPA power rates rise. Please use your wisdom to intervene and take ahard look at BPA and its policy and practices to save Northwest job.

Sincereley,
David Glad

Kuehn, Ginny - DM-7

From: Parker, Richard J. (Rick) [rjparker@longfibre.com]
Sent: Wednesday, April 30, 2003 9:38 AM
To: comment@bpa.gov
Subject: SN-03 Power Rate Case

Comments regarding the current SN CRAC power rate case.

It is with great concern that I file my comments.
I am R J Parker and have lived in the Pacific NW all my life and hope the
opportunities I have enjoyed due to the strong economy and growing
community will be here for my four children and two grandchildren.

However the path BPA has chosen for the future is very different from the past.
If BPA does not get back on track and provide a benefit to the NW as it always has,
all of our children and everyone's future will certainly be in question.
BPA needs
to be the engine of our economy, it needs to provide a service for all of us in the NW.
BPA can't raise rates and expect rate payers to keep BPA a "float".

Raising rates in a economic turn down is the worst thing BPA can do.
To provide a benefit BPA must cut costs and keep prices down to help the economy and create more demand thus increasing revenues which will help BPA and be the stimulus needed for the business community and the all rate payers in the N.W.

Any rate increase at this time is unacceptable and in fact rates should be returned to yr. 2000 levels.

Thank you for considering my comments.

Richard J Parker
3921 Cherrywood St.
Longview, Washington

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Wednesday, April 30, 2003 10:25 AM
To: Kuehn, Ginny - DM-7
Subject: FW:

-----Original Message-----
From: Roger D Engler [mailto:rogerilene@juno.com]
Sent: Wednesday, April 30, 2003 10:16 AM
To: sjwright@bpa.gov
Subject:

Mr. Wright,
My husband works at Alcoa Aluminum here in Ferndale. As you well know, your decision about the rate hikes will severely impact those workers as well as many others here in the northwest. My husband will be 60 years old this year-not a good time to be looking for work or changing careers. The biggest problem for us will be the lack of medical insurance that we have enjoyed over the 28 years my husband has been employed at Alcoa. I fear that one major illness could wipe out our whole llifetime of savings before we are old enough for medicare. please do all you can to help us out here in Ferndale. If there is anything we can do to help you, other than giving up our jobs, please let us know. Thank you for your time and consideration.

Sincerely

Ilene C. Engler

To BPA

This letter is to state how appalled I am about the rate hike. Because of these hikes the past couple of years my bill has gone from $45 to $100. My parents who are on a fixed income has a bill of $130.00.

You need to cut costs in your area, pay freezes & look for other means of energy besides passing it on to us. I also feel you should give us a 5% rate reduction.

You are hurting so many people & asking people to choose between food & electricity not fair.

Please reconsider. Thank you

Lisa Schneider

April 29, 2003

APR 30 2003

Bonneville Power Administration
Steve Wright, Administrator
P. O. Box 3621
Portland, Oregon 97208

Dear Mr. Wright:

Subject: Proposed increase of electric rates by BPA
Main Concern: Will the proposed electric rate increase by BPA hurt our family? YES!!! Direly so!

Everyone, including BPA, has to learn to tighten belts and live within reasonable budget amounts; most times that means having to eliminate waste, abuse, frills, etc., by creating a leaner budget, i.e., fit the present incoming monies to a trimmed budget. We had to do that in our household when we retired some twelve+ years ago and we continue to do so as the budget changes by external increases, such as rate and tax increases, higher prescription costs, medical premiums, etc. We personally have no room for a leaner budget, cutting spending already to the max: We eat out on very rare occasions (unless you count $1.00 spice chicken sandwiches once or twice a month), limit vacations extensively, drive the same cars year after year, and essentially have stopped other things we once enjoyed when our incoming salary allowed such fatter spending. The problem with many businesses, including utilities and various government-run institutions, is their choosing to inflate budgets and then try to fit the monies to the budget, not vice versa. Then when the bottom line becomes deep red, the solution is always to put the burden on the people to bail them out through increased rates and taxes to meet corpulent styles, not to trim the fat like we have had to do. Bah humbug!

Mr. Wright, we have no place to economize anymore in our household, as we live on a fixed income; any savings through stock and bonds were wiped out because of the recent "crash" ~ we can only economize in such places that will hurt our health (e.g., cut out necessary prescriptions, make meals that lack the more nutritious and more expensive items such as fruits, vegetables, fish, etc., turn our thermostat off, and forget to venture from our yard to save gas money). We never spend money on movies, drinks, smoking, gambling, or any other kind of frivolity living, and except for an occasional shoes or coat "splurge", we don't spend much on such items as clothing and the like. So where can we economize further with all the increased rates going on in every area of our budget? That is what we are wondering! We hardly can do without our one phone line; garbage pickup, or not pay the high real estate taxes on our mortgage-free house ~ and now after one increase already on our electric bill this year, we face this pending rate hike increase ranging from 8 percent to 41 percent, and we feel threatened. Why? Because frankly, Mr. Wright, we don't know how to fit any more increases in an already strained budget, and we have no "public doorway" for an escape!

It is time all such business places, including BPA, *give us, the public, a break by getting their budgets under control* through cutting waste and all unnecessary spending. We have already done that in our household; there is no available corner to cut nor a hand to meet higher rates/taxes. HELP!

Sincerely,
Eugene S. Schulte
Beverly J. Schulte

Eugene and Beverly Schulte
22219/A NE 244th Avenue
Battle Ground, WA 98604-5162

SN-03-W-1065

4-26-03

DEAR Mr. Stephen J. Wright

The Bonneville Power Administration has announced that it is beginning the process that will allow it to raise power rates another 15% under the **SN CRAC**. The increase will mean that Washington State manufacturers will be operating with some of the most expensive power in the world – in a location that is supposed to be known for its low-cost power. At these rates it will be impossible to operate the smelters or other energy-dependent businesses profitably. The rate increase could have a devastating impact on the manufacturers and the communities in which their employees live and work.
We have two sons now working in an **industry that will shut down** when this rate increase begins.
My husband and I are on fixed incomes and strongly oppose the rate increase.

THANK YOU

ARCHIE JIPSON Archie Jipson

IRENE JIPSON Irene Jipson

444 South State St Apt. 406
Bellingham Wash 98225

APR 30 2003

April 17, 2003

Steve Wright, Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208

Dear Mr. Wright,

I am a senior citizen. I live, very carefully, on a fixed income. My only benefits are from social security. I have been able to live within my limited budget, so far. Increased utilities will jepordize that careful balance I have been able to maintain. I am furious to learn that B.P.A. mismanagement will cause this utility increase. Perhaps you need a few careful seniors to manage the B.P.A.

Sincerely,

Barbara McBride

Barbara McBride

cc:je/pud

LWV
Ms. Barbara McBride
33 Chenois Valley Road
Hoquiam, WA 98550

SN-03-W-1067

Faye Maslen

719 W. Loop Drive
Moses Lake, WA 98837
509-765-4839

APR 30 2003

Steve WRIGHT, Admin.
Bonneville Power Admin.
P.O. Box 3621
Portland, Oregon 97208-3621

4-28-03

To Whom it may Concern -

I am against the BPA Rate Increases. Find another way to solve these Budget Problems - Stop wasting our money.

All these Rate increases Do is Affect the little guy - and Force Businesses to Close or locate in other states. Our economy is in Bad Shape and getting worse - We CAN Not Afford any more Rate increases -

Surely you can find a better way to solve this problem!

Faye Maslen

SN-03-W-1068

APR 30 2003

Frank, Kathy, Jamie, and Jesse
The Worland Family
2798 Dawn Lane
Custer, Washington 98240
April 26, 2003

Mr. Stephen J. Wright
Bonneville Power Administration
PO Box 3621
Portland, Oregon 97208

Dear Mr. Wright,

How many people are you going to have to lay off at BPA? Are you going to be unemployed like us? BPA is adding to the dwindling US economy with high power rates. Please stop the high power rates!

Sincerely,

Frank Worland and Family
Intalco

SN-03-W-1069

APR 3 0 2003

April 28 2003

BPA Administrator
Steve Wright

We are apposed to the BPA rate increase. Times are hard. We have no way of passing the increase on to others. Most of us are on fixed incomes, Social Security, no one is going to pay us more because our energy bill goes up.

Farmers are having a hard time making ends meet. A few people set the price they will pay for hay, grain, potatoes, corn and cattle. Farmers can't wait until next year to see if maybe they can get more. If you don' t pay your bills you are shut off.

Four and five generation farmers and ranchers are and will be losing their farms or selling to the rich who don't farm or ranch, they mostly set them up for wildlife and birds.

If rates keep going up, we feel that the United States will have to go with an alternate type of energy to help feed the world.

Are we going back to gas lights, pumping water by hand, washing cloths on the board and horse and buggy. Lost River Electric and Bonniville power has done so much to make this valley what it is today. Please help keep rates down.

Thank you

Jenny Marie Smith
3897 W. 3700 N.
Moore
Idaho
83255

SN-03-W- 1070

APR 3 0 2003

Kuehn, Ginny - DM-7

From: fatimao@mountaineers.org
Sent: Wednesday, April 30, 2003 11:32 AM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Fatima Oswald, The Mountaineers Public Policy Assistant

fatimao@mountaineers.org

206-284-6310 x3029

300 Third Ave W

Seattle WA 98119

April 30, 2003

Bonneville Power Administration
Steve Wright

RE: Safety Net Cost Recovery Adjustment Clause

Dear Mr. Wright,

The Mountaineers with over 13,000 members is one of the oldest and largest conservation and recreational outdoor clubs in the Pacific Northwest. We have long been active in the public dialogue on the cost and environmental consequences of electric power production and use in the region. The Mountaineers view with alarm The Bonneville Power Administration's (BPA) proposals to drastically reduce current funding of public purpose programs for fish and wildlife, conservation and renewable energy sources to meet short-term emergency cash flow problems.

- The BPA has a legal obligation to provide adequate funding to cover the full range of fish and wildlife cost mandated by law. The current fish and wildlife cost are not the reason for the BPA's shortfall. These programs are under budget!

- Reduction of the conservation budget by 35% is extremely shortsighted. Energy efficiency and renewable sources will save the ratepayers far more money in the long run. Failure to maintain consistent conservation and renewable energy programs exposes the region's businesses and consumers to increased volatility in rates and higher cost.

- The BPA should not even consider any delays or partial payments to the U.S. Treasury. This obligation must be discharged on time in full.

- The BPA must implement annual adjustable rates to keep necessary rate hikes to a minimum without sacrificing financial health.

The Mountaineers will continue to monitor the progress in the energy field and BPA's commitment to fulfilling your public purpose obligations. The Mountaineers would like to remind you that no other entity has such incredible national resources under their control as the BPA. The BPA controls many magnificent natural resources that define the North American Continent. The nation trusts the BPA to steward the resources as such, with vision, wisdom and long-term commitment that was intended during the creation of the authority.

Thank you for the opportunity to make these remarks.

Sincerely,
The MOUNTAINEERS
Glenn Eades
President

SN-03-W-1071

APR 3 0 2003

Kuehn, Ginny - DM-7

From: jypsy1947@iwon.com
Sent: Wednesday, April 30, 2003 12:58 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

LATRICIA J. STEVENS

jypsy1947@iwon.com

360-752-3210

2275 LAKE WHATCOM BLVD. PMB187

BELLINGHAM WA 98229

THE PACIFIC NORTHWEST IS IN GREAT NEED OF HELP, WE ARE IN A RESSESION THATS AS BAD AS I'VE EVER SEEN. THIS RATE INCREASE WILL MAKE IT EVEN WORSE AND OR THROW US INTO A DEPRESSION IN OUR AREA HERE IN WHATCOM COUNTY AND THAT MAY SPREAD. WE ARE PUTTING OUR HOUSE ON THE MARKET AND IF MY HUSBAND LOOSES HIS JOB WE WILL BE MOVING OUT OF THIS STATE AND AREA. WE NEED THE LAST 40% INCREASE ROLLED BACK AND NO NEW INCREASE. BUSINESSES CAN'T TAKE THIS AND NEITHER CAN RATE PAYERS.

NO NEW INCREASE AND ROLL BACK THE LAST ONE!

SINCERELY,

TRISHA STEVENS

SN-03-W-1072

Kuehn, Ginny - DM-7

From: stevebp@gte.net
Sent: Wednesday, April 30, 2003 1:02 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Brian Stevens

stevebp@gte.net

760-951-2996

PO Box 253

Helendale CA 92342

I think raising the rates not only is bad for business, it is also bad judgement on your part. I'm moving to Washington(recently a resident of Wa.) in July from California, and I thought California has some stupid laws and energy fowlups. Do you really want the great State of Washington to be catigorized with California. I'm disabled and just can't afford to be paying these prices here and surely will not be able to afford them there. I have a business degree in business managment and this is a cop out saying that you are raising rate just to make it cheaper for other states to live, when it should be stay in our own state. THINK ABOUT IT!

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Thursday, May 01, 2003 3:19 PM
To: Kuehn, Ginny - DM-7
Subject: FW: Other solutions must be found to save 700 Intalco jobs!

Importance: High

-----Original Message-----
From: Monica Crabtree [mailto:monicac@SPIE.org]
Sent: Thursday, May 01, 2003 2:42 PM
To: sjwright@bpa.gov
Subject: Other solutions must be found to save 700 Intalco jobs!
Importance: High

This is the Bellingham Herald's 'Opinion' (appeared in today's BH):

"The news of the possible closure of Ferndale's Alcoa Intalco Works and the possibility of 700 layoffs due to impending Bonneville Power Administration rate hikes hit this community like a sledge hammer.

It's impossible for this editorial board to say whether BPA needs a 15 percent rate increase. But what we do know is that BPA must be as open and transparent as possible in making its case. BPA is a government entity, not a private company. That makes it accountable to voters, including those whose jobs are on the line. While BPA supports itself and does not receive taxpayer funding, it is a federal agency, run by the U.S. Department of Energy.

The BPA is headquartered in Portland, Ore. It markets wholesale electricity to public and private utilities and large industries in Washington, Oregon, Idaho and Montana. The BPA was founded in 1937 just before the completion of the Bonneville and Grand Coulee dams, so it's not a big surprise that it relies heavily on hydropower. Unfortunately, when Mother Nature doesn't cooperate, the price of scarce resources increases. Low snow pack has caused problems for the power supply, but that doesn't mean the only answer is to raise rates. There are other solutions and BPA owes it to Intalco and this community to carefully examine them and make its findings public.

When Georgia-Pacific West Inc. closed its pulp mill and chemical plant two years ago, 420 jobs were gone seemingly immediately. But Intalco jobs have been hanging in the balance for years now, affected by power rates, market rates and low snow pack to fuel hydro-electric dams. First the plant was going to be shuttered for two years under an agreement with BPA, which had over-extended its commitment to provide power. Then it came back on line earlier than expected. Now it might go away all together if BPA opts to exercise a rate increase.

If these jobs at Intalco are lost, they will likely be lost for good, the same way the G-P jobs were lost. And those losses will reverberate through our entire community as former employees scramble to find new jobs with wages that come close to what Intalco pays. The Pittsburgh-based company is the sixth largest employer in Whatcom County. It is expected to pay $1.6 million in property taxes in this county in 2003. That's money that goes to schools, fire districts and other essential services.

Intalco's contract with BPA expires Sept. 30 and officials say they will close the plant the next day if there is a 15 percent hike in power costs.

The anxiety the Intalco workers have been living under must be unbearable. Their lives hang in the balance. Will they have to move their families? Where will they find work in a state where Intalco is the only remaining functioning aluminum smelter? The next nearest smelter is in Montana. Many Intalco employees have been working at the plant for 20 years and are going to have a tough time finding something new in this difficult job market.

SN-03-W-1074

Heavy hitters, including Gov. Gary Locke, Martha Choe, director of the state's Office of Community, Trade and Economic Development, and U.S. Rep. Rick Larsen, D-Lake Stevens, along with other members of Congress from the Northwest are all lobbying BPA to find another solution and to save these jobs. Larsen and his counterparts have gone so far as to propose a list of 18 possible money-saving solutions to stave off the hike. They include things like reducing internal costs, renegotiating high-priced contracts, and recalculating the costs of bringing an idle Columbia River generating station back into service.

Before it can decide to impose a rate hike, BPA must be able to show that it has given due diligence to these types of suggestions and cannot find another alternative that would preserve these important jobs."

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Terry Connolly [terryc@eugenechamber.com]
Sent: Wednesday, April 30, 2003 1:39 PM
To: 'comments@bpa.gov'
Subject: Safety Net Cost Recovery Adjustment Clause (SN CRAC)

Steve Wright, Administrator
Bonneville Power Administration
P.O. Box 12999
Portland, OR 97212

Subject: Safety Net Cost Recovery Adjustment Clause (SN CRAC)

Dear Mr. Wright:

The Eugene Area Chamber of Commerce urges you not to proceed with the 32% Safety Net CRAC rate increase.

The timing of an increase of this magnitude could not be worse. Oregon was already sliding into its current recession when your power costs began to rise in 2001. Those costs have been very difficult for customers to absorb. An additional 32% increase in 2003 would immediately make matters worse for our local and state economy.

It won't be easy to recover from the current economic recession and many are afraid we haven't seen the worst yet. For example, in Eugene and Springfield we have lost 850 good paying manufacturing jobs in April alone. Another 450 manufacturing jobs have been lost this month as well in nearby Douglas County. Again, a 32% SN CRAC rate increase would exacerbate the economic problems at the state and local level.

In times like this the private sector and public sector have to make difficult decisions, especially in regard to cost cutting. We call upon BPA to do the same. You need to look internally and take steps not to exceed your own budget. Forcing a 32% SN CRAC rate increase upon your customers is the wrong way deal with your budget situation.

Again, our local and state economy cannot withstand such a sharp rate increase in 2003. Please employ internal cost cutting measures first. Don't adopt the proposed 32% SN CRAC rate increase.

Thank you.

Sincerely,

Terry Connolly
Director of Government Affairs
Eugene Area Chamber of Commerce
P.O. Box 1107
Eugene, OR 97440-1107

SN-03-W-1075

MAY 0 1 2003

Eckenberg Farms™
Where Quality Counts
established 1963

April 30, 2003

Steve Wright, Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621

Dear Mr. Wright:

My name is Robert Eckenberg and I am the President of Eckenberg Farms Inc. We are a customer of a consumer-owned electric utility that buys power from Bonneville Power Administration (BPA). I'm very worried about our electric bill. BPA power costs have increased dramatically since October 2001. Now BPA threatens another 25% increase in October.

The Pacific Northwest is reeling from a bad economy and loss of jobs. We suffer some of the highest unemployment rates in the nation. Businesses have closed, and our basic public services, schools and our very own future are threatened. The economy in this region must turn around and begin to recover. We absolutely cannot begin that recovery if we suffer another increase in our power bills.

BPA has dramatically exceeded its own budget the past two years, and we read that it will take another three years of the current high rates plus the proposed large price increase before costs are under control. Customers like me need relief now. BPA must realize the part it has played in our dismal regional economy. BPA must solve its budget crisis. Passing these costs on to my neighbors, me and my company is not the answer.

The answer to these high electricity prices is in your agency's control. I urge you to do as others have in the region = BPA must find ways to cut costs. Don't let your agency force the Northwest into total economic collapse.

Sincerely,

Robert Eckenberg
President

Cc: NW Delegation
Grant County PUD

Eckenberg Farms, Inc. ♦ 24064 S.W. Road L ♦ Mattawa, WA 99349 USA
Office (509) 932-4600 ♦ Fax (509) 932-4514
www.eckenbergfarms.com

Debbie Davis [debbie@eckenbergfarms.com]

SN-03-W-1076

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: rjkcwhite@msn.com
Sent: Wednesday, April 30, 2003 7:08 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Joan White

rjkcwhite@msn.com

3738 Crystal Ct; P O Box 28208

Bellingham WA 98228-0208

I vehemently oppose the 15 percent (or any) rate increase that BPA has proposed. My husband and I both work for Alcoa and have 55 years' service between us. Our operations in Addy, Washington were closed in 2001. I transferred to the Purchasing department in Ferndale, Washington after the Addy closure. I accepted the transfer because Intalco had always been recognized as an excellent plant with costs in the lower half of the world cash cost curve. Alcoa, along with other companies throughout the United States, is constantly faced with challenges to reduce our costs or to face layoffs or shutdowns. These cost reductions are not generated through increased revenue, but through better work practices and by eliminating waste. Layoffs and plant shutdowns affect many more people and businesses than just an individual employee. If the BPA rate increase is approved, I have no doubt that the Ferndale operation will meet the same fate as the Addy operation did.

The past two years have already shown that few aluminum smelters reopen once they have shut down. The US economy cannot absorb these increases and too many people are already out of work.

BPA must recognize that a rate increase is not acceptable. PLEASE - NO RATE INCREASES!

SN-03-W-1077

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Wiyaka Wagner [stardust@televar.com]
Sent: Wednesday, April 30, 2003 7:55 PM
To: Comment@bpa.gov
Subject: Proposed rate increases

Dear Steve Wright,

I am writing to comment on the BPA proposed rate increases of up to 25%. My family currently gets our power from Grant Co. PUD. My husband and I are both hardworking people, but have very low paying jobs. We are barely making it as it is, living paycheck to paycheck. In the past year food prices, health ins. gas, and electricity, etc. have all risen drastically. That's not to mention our water, sewer, and garbage bill going up on top of a $100.00 yearly increase in our car insurance rates(and thats with no tickets or accidents and driving old cars with over 175000 miles on each!!!) Oh yeah, I forgot about the increase in land taxes and the new school levy. We may eat out once a month if we're lucky. I clip coupons and shop at thrift stores, everything I can to make ends meet.

I guess the point I'm trying to make is that this rate increase affects poor people the most. If we were making $50,000 a year it wouldn't be a big deal, but I bring home about $13,000 and my husband doesn't make much more. We have no disposable income, unlike others with higher salaries.
All of these rate increases don't put too much of a dent in wealthier peoples budgets, but I urge you to think of the working poor whom it would greatly affect. Balance your own budgets without making the poor folks in Washington pay for it.

Thanks for your time and consideration of my comments.

Sincerely,

Wiyaka Wagner

SN-03-W-1078

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: JimGosnell@BoisePaper.com
Sent: Wednesday, April 30, 2003 11:49 PM
To: comments@bpa.gov
Subject: Proposed rate increases

To whom it may concern,

While it is clear that the BPA listened in their public listening meetings, they still appear to have done little to reduce their administrative costs. I agree that there are others in the supply chain that have a responsibility to reduce costs, and consumers have an obligation to reduce usage as well, but BPA should be leading by example. Passing it on to customers in the form of rate increases at the size and frequency that is proposed cannot be the answer. We should all be concerned about a plan where a fair sized portion of the gap is closed by waiting for hydro conditions, and the sales price of secondary sales, to improve. BPA needs to understand that the direction we are moving will put some businesses at risk of closing.

Sincerely,
Jim Gosnell
Plant Manager, Boise Paper Solutions, Vancouver Specialties

SN-03-W-1079

Kuehn, Ginny - DM-7

From: colinrock@msn.com
Sent: Wednesday, April 30, 2003 3:02 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Colin Rockenbach

colinrock@msn.com

360-966-9603

1992 Central Rd.

Everson WA 98247

My job at Alcoa Intalco Works aluminum smelter is in jeopardy. The BPA was created to bring jobs to the Northwest. That's not what's happening now. The BPA has eliminated thousands of jobs because of recent rate increases and is about to eliminate thousands more with another rate increase. Please, on behalf of my 4-year old daughter and me, don't increase rates again. The lives of thousands of families wait your decision. Will your daughters' fathers loose their jobs? The BPA has done enough damage, and now needs to do what's best for the families of the Northwest, not what's best for the BPA. Keep in mind that someday the BPA may need the people of the northwest to support them.

MAY 0 1 2003

Washington Trollers Association
PO Box 7431
Bellevue WA 98008
(425)747-9287; Fax (425)747-2568
Doug Fricke, President

Washington Trollers Association

April 30, 2003

Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 12999
Portland, OR 97212

Re: Comments on the SN-CRAC Expedited Rate Case (SN-03)

Dear Administrator Wright:

Thank you for the opportunity to provide comments on the Bonneville Power Administration's (BPA) Safety-Net Cost Recovery Adjustment Clause (SN-CRAC) Rate Case. Since1977, WTA has represented the interests of its members in relations with federal and state agencies, working to promote healthy and abundant salmon stocks, maximize fishing opportunities, and educate the public about salmon trolling. Our membership of fishermen and women operate vessels that range in size from 23 ft. to 64 ft. with crews of one to three – often working families. We represent over 180 fishing families in addition to the many businesses in Washington's coastal communities of Ilwaco, Westport, La Push, and Neah Bay to name a few, and others all along the Pacific Coast.

Coastal fishing communities know firsthand the extent of the Pacific Northwest's economic recession. Our businesses have suffered economic depression since long before this current downturn. In fact, the health and survival of our industry – the oldest industry in Washington State – is inextricably linked to the policies of BPA and the abundance of our regions once prolific salmon runs. For these reasons, we sympathize with those concerned about the economic viability of the region, but we are deeply concerned that BPA may be once again shortchanging salmon and the businesses and communities that rely on them in the context of this rate case.

The current rate case is a detailed and often times convoluted process, and WTA cannot claim to have expertise in all its facets. That said, we do know a thing or two about the importance of salmon restoration to the economy and social well being of the Northwest, and it is in that respect that we focus our comments. WTA finds BPA's initial rate case proposal inadequate in two simple, but significant respects: 1) BPA's proposal for fish and wildlife funding is woefully insufficient to implement the agency's current and future salmon responsibilities, and 2) BPA fails to properly insulate those salmon responsibilities from the agency's volatile power business, meaning that salmon and salmon dependent communities will continue to bear the brunt of the agency's poor decision-making in the future.

Quality Troll Caught Salmon for Consumers

As a matter of law, BPA is required to ensure that it can meet its obligations through its rates. However, the last three years have proven that BPA is far from meeting its salmon recovery responsibilities. One need not look further than the drought of 2001, when BPA unilaterally turned off salmon-friendly hydroelectric dam operations in order to protect its dwindling financial reserve levels. More recently, BPA unilaterally imposed cuts to its salmon budget in order to alleviate financial shortfalls that were – and are – entirely unrelated to the agency's financial woes.

In its initial rate case proposal, BPA is mandating a draconian cap on the amount it will dedicate to fish and wildlife recovery through 2006 at $139 million/year. Frankly, this is unacceptable. In the 2000 rate case, BPA committed to a range of salmon funding scenarios in recognition of the fact recovery costs into the future are uncertain and difficult to predict. The Columbia River Inter-Tribal Fish Commission (CRITFC) and the Columbia Basin Fish and Wildlife Authority (CBFWA) have estimated that the minimum annual revenue required to implement BPA's offsite mitigation and Fish and Wildlife Program needs is about $247 million, based on nearly 700 proposals submitted and approved through the Northwest Power Planning Council's Provincial Review.

This estimate, however, is conservative. It does *not* include a range of potential additional costs that may arise before the end of this rate period. Those costs may include, but are not limited to, improvements to publicly owned habitat, additional mitigation needs arising from to-be-adopted Sub-basin Plans, addition offsite mitigation or hydro operations (such as increased flow augmentation or spill) that may arise through two upcoming FCRPS Biological Opinions check-ins, additional BPA requirements identified through Endangered Species Act recovery planning, or an improved Vernita Bar agreement.

Despite this significant potential for *increased* BPA fish and wildlife commitment, the agency is *reducing* its salmon recovery funding. For reasons that are unknown, BPA has essentially thrown out this prudent concept of flexibility despite numerous upcoming processes that could effect the agency's recovery obligations. BPA's current rate proposal essentially rules out the possibility that the agency will be able to meet new obligations as they arise in the future.

Adding insult to injury, BPA is actively seeking *further* cuts to its salmon program by assuming changes in dam operations that may further harm salmon. Of great concern to WTA members is the lack of spill over Bonneville Dam to aid the spring migration of lower river hatchery chinook. The members of WTA, as well as entire coastal fishing community depends on lower river hatchery chinook production. This dereliction of BPA's mitigation obligation will cost our fleet dearly, perhaps as much as 50% of some individual's income from salmon. We are certain that mitigation and recovery are obligations that BPA cannot ignore, and to do so compromises our trust in all of BPA's salmon programs

As stated above, WTA is sympathetic to the region's economic worries. Our members, above all, have not been immune from these worries. Nowhere in BPA's proposal, however, does it analyze – much less recognize – the economic impact of the agency's proposal to *weaken* its ability to meet salmon recovery obligations. We urge BPA to fully consider the impact of its proposal on salmon-dependent communities.

Finally, WTA strongly believes that BPA must take the opportunity in this rate case to protect the agency's salmon recovery responsibilities from the ups and downs of its power policies. For far too long, salmon and salmon-based communities have borne the brunt of BPA's questionable decisions. BPA must be able to fully meet its salmon restoration requirements despite the agency's fiscal situation and in isolation of fluctuations in the power market. Even the Northwest Power Planning Council recently recognized this point in a letter to BPA dated February 21, 2003: "Bonneville's many programs are not equal. Some, such as the fish and wildlife program, respond to legal obligations that cannot be abandoned, even temporarily."

WTA recommends two ways to achieve this goal: 1) establish a dedicated, multi-year fund with minimum funding levels in order to meet salmon recovery obligations. This fund should be protected from unrelated financial concerns in BPA's daily operations. 2) BPA must commit to implement salmon-friendly dam operations regardless of the agency's financial concerns. Salmon-dependent communities cannot suffer another repeat of the so-called 2001 "energy crisis" when BPA abandoned salmon protections in favor of maximized energy generation. As stated earlier, salmon <u>are not</u> the cause of BPA's concern and therefore should <u>not</u> be used to bail it out.

Thank you again for the opportunity to provide comments regarding the SN CRAC rate case. We urge BPA to follow the recommendations above to better ensure that BPA is able to meet its salmon recovery obligations now and into the foreseeable future.

Sincerely,

Douglas H. Fricke

Douglas H Fricke, President

Judith J Graham

Judith J. Graham, Executive Director

Joel Kawahara

Joel Kawahara, WTA Board Member

Judie Graham [judieg@msn.com]

Edith M. Smith
340 Chenault Ave.
Hoquiam, WA 98550-1711

MAY 0 1 2003

To Whom It May Concern:

We are IRATE customers of Grays Harbor PUD! We CAN NOT manage another rate increase. We are demanding rates be reduced!

Lori J. Emery	Betty Jo Bastin
Mike Emery	Margaret Homchick
Shirley Claywell	Jim Jasson
Norm Claywell	Judith C. Jasson
Pat Elway	D Lyn Turpin
Olive Driggers	Gladys Hatch
Judy Nilsson	Sue Messenger
Tell Bailey	Teresa A. Nichols
Donna Beaber	Janet Messenger
Beverly Butterfield	Betty Humphrey
Carol Smith	Julie Tomes
Chuck Bates	Joe Tolomei
Norma Finch	Andrea Leach
Joanne Simmons	Verna McKinley
Margie Phillips	JoAnn Copeland
Byron Bennett	Teresa Ramirez
Sylvia Williams	Martha York
Lois Brule	Linda Hurd
Irene Lustfield	Neil Lee
Lorraine Rakes	Rita A. Evans

SN-03-W- 1082

MAY 0 1 2003

April 25, 2003

Mr. Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 3621
905 NE 11th Avenue
Portland, OR 97208-3621

Save Family Wage Jobs/Preserve Aluminum/Stop Power Rate Increase SN CRAC rate case

Dear Mr. Stephen J. Wright,

The struggling Pacific Northwest economy cannot survive another power rate increase. You must find the ways to keep electricity rates affordable for residents and industry. Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost! These are jobs that will not come back! We need to preserve the family-wage jobs that Northwest industries like Alcoa Intalco Aluminum provide our communities and local and regional economics. Three of our family members work at the Alcoa Intalco Aluminum Plant in Ferndale, which will shut down **permanently** if this power increase is allowed. Your rate increase would have a devastating impact on the manufacturers and the communities in which their employees live. We have already seen that our economy is not recovering as fast as the rest of the nation. If the BPA raises the power rates again, the economy of the entire Pacific Northwest will be devastated! Eliminating more industry must be the last resort. Our communities cannot rely on retail. We need family-wage jobs to send our children to college! The rising energy costs in the Northwest threaten our families, our communities, our jobs and the quality of life in the entire region.

The BPA must develop approaches that help industry survive! Please find options that keep BPA power prices low enough to keep industry in our state.

Thank you for taking the time to listen and to look into this situation thoroughly. We are desperate for your help. Your decision will make the difference!

Sincerely,
James H Smith
Patricia K. Smith

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

Enclosed you find copies of letters sent to President Bush, Vice President Cheney, Secretary of Energy Spencer Abraham, Senator Maria Cantwell and Governor Gary Locke.

SN-03-W-1083

No Rate Increase!
(SN CRAC case)

Peace on Earth

Please help our Dad keep his job at Alcoa Intalco Aluminum

Jim, Tricia,
Tanis and Taryn
Smith

We need to go to college!

No BPA Rate Increase!

April 24, 2003

President George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Stop BPA Power Rate Increase/Save Family Wage Jobs/Preserve Aluminum

Dear President George W. Bush,

Our family is so proud to finally have a President in office that we can trust, who has the strength to take charge and make difficult decisions, and who teaches our children the meaning of the word respect. We gravely need your help on the power situation in our Northwest region. Being in complete support of you our President, Operation Iraq Freedom, our troops in Iraq and all the humanitarian aide needed to get Iraq back on their feet with a decent government, we feel desperately that our families of the Pacific Northwest now need your support with our economy!

The struggling Northwest economy cannot survive another rate increase by the Bonneville Power Administration! Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost forever. Elected officials must insist on solutions that preserve Northwest jobs. Three of our family members work at Alcoa Intalco Aluminum, which will shut down permanently if this power increase is allowed.

The BPA must develop approaches that help industry survive! It is time for the Department of Energy to intervene in the BPA process to ensure that everything possible is being done to prevent another rate increase. In fact, rates need to be lowered for the sake of the Northwest economy. We completely agree with the reasoning of your tax cut package. Yes, our economy needs a boost! A tax cut is what will help spur the economy into a recovery. But if you allow the BPA to raise the power rates again, the economy of the entire Pacific Northwest will be devastated! Actually, a rate decrease could act similar to a tax cut to help spur the economy of the Pacific Northwest.

Please help us save our jobs!!! The economy of the entire Pacific Northwest cannot afford another power increase! Surely you understand that these industry jobs are important to our families, communities, and state's economy. We have already seen that ours is not recovering as fast as the rest of the nation. Eliminating more industry must be the last resort! These jobs must be saved! Please find options that keep BPA power prices low enough to keep industry in our state.

Sincerely,

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

MAY 0 1 2003

April 24, 2003

Vice President Richard B. Cheney
1600 Pennsylvania Ave., NW
Washington, DC 20500

Stop BPA Power Rate Increase SN CRAC rate case/Save Family Wage Jobs/Preserve Aluminum

Dear Vice President Cheney,

Our family is so proud to finally have Presidents in office that we can trust, who have the strength to take charge and make difficult decisions, and who teach our children the meaning of the word respect.

We gravely need your help on the power situation in our Northwest region. Being in complete support of our Presidents and their administration, Operation Iraq Freedom, our troops in Iraq and all the humanitarian aide needed to help their country build a decent government; we desperately feel that our families of the Pacific Northwest now need support with our economy!

The struggling Northwest economy cannot survive another rate increase by the Bonneville Power Administration! Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost forever. These are jobs that will not come back! Elected officials must insist on solutions that preserve Northwest jobs. Three of our family members work at the Alcoa Intalco Aluminum Plant in Ferndale, which will shut down permanently if this power increase is allowed. Our state cannot rely on retail to support our families! We have to protect our industries which financially support our communities!

The BPA must develop approaches that help industry survive! It is time for the Department of Energy to intervene in the BPA process to ensure that everything possible is being done to prevent another rate increase. In fact, rates need to be lowered for the sake of the Northwest economy. We completely agree with the reasoning of your tax cut package. Yes, our economy needs a boost! A tax cut is what will help spur the economy into a recovery. But if you allow the BPA to raise the power rates again, the economy of the entire Pacific Northwest will be devastated! Actually, a rate decrease could act similar to a tax cut to help spur the economy of the Pacific Northwest.

Please help us save our jobs!!! The economy of the entire Pacific Northwest cannot afford another power increase! Surely you understand that these industry jobs are important to our families, communities, and state's economy. We have already seen that ours is not recovering as fast as the rest of the nation. Eliminating more industry must be the last resort! These jobs must be saved! Please find options that keep BPA power prices low enough to keep industry in our state.

Sincerely,

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

SN-03-W-1085

MAY 0 1 2003

April 25, 2003

Honorable Spencer Abraham
Secretary US Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

Stop BPA Power Rate Increase SN CRAC rate case/Save Family Wage Jobs/Preserve Aluminum

Dear Honorable Spencer Abraham,

We gravely need your help on the power situation in our Northwest region. Being in complete support of our Presidents and their administration, Operation Iraq Freedom, our troops in Iraq and all the humanitarian aide needed to help their country build a decent government; we desperately feel that our families of the Pacific Northwest now need support with our economy!

The struggling Northwest economy cannot survive another rate increase by the Bonneville Power Administration! Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost forever. These are jobs that will not come back! Elected officials must insist on solutions that preserve Northwest jobs. Three of our family members work at the Alcoa Intalco Aluminum Plant in Ferndale, which will shut down permanently if this power increase is allowed. Our state cannot rely on retail to support our families! We have to protect our industries which financially support our communities!

The BPA must develop approaches that help industry survive! It is time for the Department of Energy to intervene in the BPA process to ensure that everything possible is being done to prevent another rate increase. In fact, rates need to be lowered for the sake of the Northwest economy. We completely agree with the reasoning of your tax cut package. Yes, our economy needs a boost! A tax cut is what will help spur the economy into a recovery. But if you allow the BPA to raise the power rates again, the economy of the entire Pacific Northwest will be devastated! Actually, a rate decrease could act similar to a tax cut to help spur the economy of the Pacific Northwest.

Please help us save our jobs!!! The economy of the entire Pacific Northwest cannot afford another power increase! Surely you understand that these industry jobs are important to our families, communities, and state's economy. We have already seen that ours is not recovering as fast as the rest of the nation. Eliminating more industry must be the last resort! These jobs must be saved! Please find options that keep BPA power prices low enough to keep industry in our state.

Sincerely,

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

SN-03-W-1086

April 24, 2003

Senator Maria Cantwell
915 Second Ave.,
Suite 3206
Seattle, WA 98174

Stop BPA Power Rate Increase SN CRAC rate case/Save Family Wage Jobs/Preserve Aluminum

Dear Senator Maria Cantwell,

We gravely need your help on the power situation in our Northwest region. Being in complete support of our Presidents and their administration, Operation Iraq Freedom, our troops in Iraq and all the humanitarian aide needed to help their country build a decent government; we desperately feel that our families of the Pacific Northwest now need support with our economy!

The struggling Northwest economy cannot survive another rate increase by the Bonneville Power Administration! Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost forever. These are jobs that will not come back! Elected officials must insist on solutions that preserve Northwest jobs. Three of our family members work at the Alcoa Intalco Aluminum Plant in Ferndale, which will shut down permanently if this power increase is allowed. Our state cannot rely on retail to support our families! We have to protect our industries which financially support our communities!

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Thank you for taking the time to listen and to look into this situation thoroughly. We are desperate for you help!

Sincerely,

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

April 24, 2003

Governor Gary Locke
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Stop BPA Power Rate Increase SN CRAC rate case/Save Family Wage Jobs/Preserve Aluminum

Dear Governor Gary Locke,

We gravely need your help on the power situation in our Northwest region. Being in complete support of our Presidents and their administration, Operation Iraq Freedom, our troops in Iraq and all the humanitarian aide needed to help their country build a decent government; we desperately feel that our families of the Pacific Northwest now need support with our economy!

The struggling Northwest economy cannot survive another rate increase by the Bonneville Power Administration! Without affordable energy for these industries (aluminum, aerospace, agriculture, pulp and paper, etc.) thousands of family-wage jobs will be lost forever. These are jobs that will not come back! Elected officials must insist on solutions that preserve Northwest jobs. Three of our family members work at the Alcoa Intalco Aluminum Plant in Ferndale, which will shut down permanently if this power increase is allowed. Our state cannot rely on retail to support our families! We have to protect our industries which financially support our communities!

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Thank you for taking the time to listen and to look into this situation thoroughly. We are desperate for you help!

Sincerely,

James, Patricia, Tanis & Taryn Smith
189 Van Wyck Road
Bellingham, Wa 98226
360-733-1242

SN-03-W-1088

MAY 0 1 2003

april 10, 2003

Steve Wright
BPA Administrator
P.O. Box 3621
Portland, OR. 97208-3621

RE: PUD Rate hike

Dear Mr. Wright,

In the past year, I've heard about rate increases from BPA — after an increase of 46% in 2001. Now, the proposed safety net (CRAC) will increase the rates by another 25%.

What justification is there for this increase? Why is this necessary, when there are other avenues of saving and creating a reserve?

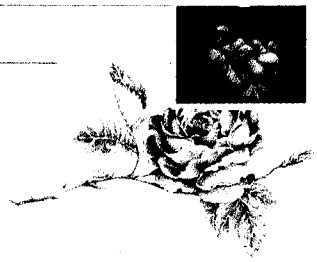
SN-03-W-1089

MAY 0 1 2003

What about profits made selling energy to California during their energy crisis? Where is the energy now? Is this related to the dams or salmon preservation issue?

I believe consumers and ratepayers need more information about why these increases are proposed. Then we can make more informed comments on these issues. We'll bear the costs.

Thank you,
Barb Drainville
490 Statter Rd.
Ephrata, WA. 98823



Barbara L Drainville
490 Statter Rd
Ephrata WA 98823-1557

SN-03-W-1089

MAY 0 1 2003

18703 Hwy 21 N.
Curlew, WA. 99118
April 28, 2003

Bonneville Power Admn.
P.O. Box 3621
Portland, Oregon, 97208
Administrative Steve Wright

Dear Mr. Wright:

I wrote to you on April 7 protesting the raising of your rates to us again. Now I am more upset than ever:

You are raising our power bills to help build a gazebo for Republic? A $1000 that could be spent to help keep our bills down?!!

A gazebo that the rural rate payers will get NO benefit from?

Most of the Ferry County PUD area consists of unemployed, welfare people and others on Social Securitu as myself, who do without necessities in order to have electricity.

Donations come out of our pockets, not the high salaried executives of Bonneville and this $1000 gives something to the townspeople of Republic only to enjoy. Why?

Please do something to lower your exhorbitant rates and cease throwing our money away on gazebos, etc.

Sincerely,

Margaret R Grumbach

SN-03-W-1090

MAY 0 1 2003

4-29-03

DEAR Mr. Stephen Wright

The Bonneville Power Administration is getting ready to increase our power rates 15% here in the Pacific Northwest, under the SN CRAC.
Over 700 jobs will be lost from the closing of one Alcoa smelter alone.
Please do not send our jobs over seas. Allow our reigon to start to heal from one of the highest unemployment rates in the nation.
The struggling Northwest economy cannot survive another rate increase by BPA.
We gravely need your help on the power situation if our communities, region and families are going to get through this crisis without extreme hardship and long-term severe economic conditions for working families.
We need power rates we can afford for residences as well as our jobs.
The Pacific Northwest was once known for it very cheap hydropower. Now industries are trying to make ends meet with some of the most expensive power in the world.

Thank You

Teresa M Cunningham

Teresa M.Cunningham
3809 Briarcliffe Ct.
Bellingham WA 98226

SN-03-W- 1091

MAY 0 1 2003

4-29-03

DEAR Mr. Stephen J. Wright

Bonneville Power Administration is getting ready to increase our power rates 15% in the Pacific Northwest under the (SN CRAC). If this is allowed to happen **700 jobs will be lost** just from one ALCOA smelter shutting down, others (Pulp and Paper, Aerospace, Agriculture) will be severely impacted.

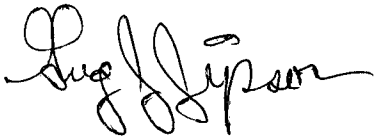
High paying jobs will be lost as companies try to make ends meet with what is now, some of the highest priced power in the world in an area that is known for its low cost hydro power.

The Pacific Northwest is already one of the highest for unemployment.
It is not necessary for BPA to raise rates, which would slow or prevent our economy from recovering.

BPA should **live within its means** and has other options than to raise rates.
Please do not send our jobs over seas.

THANK YOU

Greg Jipson
309 South State St. Apt. B
Bellingham WA. 98225



SN-03-W-1092

MAY 0 1 2003

TO STEVE WRIGHT: APRIL 29-2003

1ST OF ALL IM NOT IN THE KNOW OF HOW THOSE DAM'S ON THE SNAKE AND COLOMBIA RIVER ARE MANAGED PHYSICALY AND FINACIALY? ~~BO~~ I DONT EVEN HAVE CLUE.
I ONLY NO THE BASIC PHYSICS OF, MOTION, ACTION AND REACTION.
I NO ENOUGH ABOUT GENERATORS TO BUILD ONE IN MY LIVING ROOM TOSS IT IN THE RAPIDS BEHIND MY FRIENDS CABIN, AND I GAURANTEE IT WOULD GENERATE ELECTRICITY, PAY FOR ITSELF INCLUDING ALL MATERIAL COST, IN A MONTH'S TIME LETS SAY.
THEN IT WOULD BE A MATTER YANKING IT OUT A FEW TIMES A YEAR TO CHANGE BEARINGS.
MY POINT HERE IS HOW CAN THERE BE SUCH A HUGE COST IN MAINTENANCE ON THESE 29 DAMS.
IM SURE ITS NOT ALL OF THAT SIMPLE TO MAINTAIN - (THE DAM GENERATORS)!

MY POINT IS YOU WOULD THINK THESE 29 DAMS WOULD BE <u>GENERATING</u> A SWEET PICTURE OF WEALTH FOR A LOT OF PEOPLE FOR A LOT OF YEARS.
AND NOW IM READING WHERE BPA HAS BEEN LOOSING HUNDREDS OF MILLIONS OF DOLLARS FOR YEARS. ~~[illegible]~~
~~[illegible]~~ 334 MILLION IN ~~[illegible]~~ 2001. I UNDERSTAND YOU MR WRIGHT ARE A VETEREN WITH THE B.P.A COMPANY.
IM NOT GOING TO SAY THIS IS A MISS MANAGED COMPANY BECAUSE I DONT NO ENOUGH ABOUT ~~TO~~ THE TOTAL PICTURE HERE, BUT FROM WHAT I DO NO, SOMETHING IS SERIOUSLY WRONG WITH THIS PICTURE..... AND <u>ALL</u> THE PEOPLE DOWN RIVER ARE ABOUT TO SEE FIRST HAND THE FULL EFECTS OF - A <u>DAM</u> SITUATION OF FINACIAL PARALYSIS TO US ALL.
IVE BEEN PAYING MY <u>DAM</u> BILLS FOR YEARS NOW →

MAY 0 1 2003

WITH NO IDEA THIS WAS going TO HAPPEN.
MY INFORMATION IS AS FOLLOWS.

2001 46% PERCENT INCREASE, CLOSER TO 50 PERCENT.
2003 APRIL 8% PERCENT INCREASE.
2003 THIS FALL 40% PERCENT PURPOSEAL.
THATS 90 PERCENT INCREASE IN OUR ELECTRIC BILLS EACH 30 DAY PERIOD. I SIMPLY CANT AFORD TO RUN MY HEATERS NOW.
DO YOU REALIZE THE SNOWBALLING EFECTS OF THESE EXCESSIVE DAM RATE INCREASES.
YOU HAVE TO NO THE ECONOMIC CONDITIONS IN OREGON AND WASHINGTON. UNEMPLOYMENT IS THE WORST IN THE WHOLE ~~[illegible]~~, COUNTRY. SCHOOLS ARE CLOSING, THESE B.P.A INCREASES WILL PUT A BULLET RIGHT BETWEEN THE EYES OF THIS REGIONS ECONOMY. IT WOULD BE EXTRODINARY FOR YOU TO DO THE RIGHT THING.
REMEMBER ITS NOT OUR FAULT THIS DAM SITUATION IS SO OUT OF HAND FINACIALY.
GOOD LUCK.

CLIFF WASNOSKA
4800 NICHOLSON RD
VAN, WASH 98661 360-993-5463
ZEEBEE1@COMCAST.NET

THIS LETTER WILL BE SUBMITTED
TO VARIOUS CHAINS OF AUTHORITY

PATTY MURRAY, MARIA CANTWELL, BRIAN BAIRD, ETC.

MAY 0 1 2003

April 21, 2003

Mr. Steve Wright
Bonneville Power Administrator
PO Box 3621
Portland, OR 97208-3621

Dear Mr. Wright:

I am writing to you today to express how affected I am by the higher power rates. The increased rates dramatically impact my dairy operation. In the dairy business we compete with foreign and U.S. markets. With rates this high how are we to be competitive?

Higher power rates also affect the cost of commodities we purchase. The hay farmers charge more for their hay and the corn farmers charge more for their corn. The higher power rates force the farmers to charge more for their commodities. All these costs come back to me and therefore cost more for the commodities I purchase.

We cannot continue with another increase of power rates. The costs of operation on my farm alone have more than tripled. There has to be a way to solve this budget crisis. Our local economy cannot withstand these dramatic rate increases.

Sincerely,

Steve De Ruyter
Five D Farms

Five D Farms
2300 Kruse Road
Pasco, WA 99301

cc.Franklin PUD

SN-03-W-1094

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Margaret Schaff [mschaff@att.net]
Sent: Thursday, May 01, 2003 11:14 AM
To: comments@bpa.gov
Subject: SN CRAC rate

Margie Schaff
Margaret M. Schaff, PC
749 Deer Trail Road
Boulder, CO 80302
(303) 443-0182
fax (303) 443-0183

SN-03-W-1095

MAY 0 1 2003

Comments of the Affiliated Tribes of Northwest Indians – Economic Development Corporation

Bonneville Power Administration Power Rate Proposal (SN CRAC)

April 30, 2003

Thank you for the opportunity to submit comments on behalf of the Affiliated Tribes of Northwest Indians Economic Development Corporation to the Bonneville Power Administration Power Rate Proposal for the Safety Net Contract Rate Adjustment Clause. These comments supplement the verbal comments provided to Bonneville during the past ATNI conferences and various meetings and Bonneville leaderships' discussions with ATNI-EDC staff and leadership.

ATNI-EDC is aware that many Bonneville customers have expressed concerns that the SN CRAC will raise rates in an amount that threatens their ability to provide cost effective power to their customers and that the SN CRAC Power Rate Proposal should be scraped in exchange for cost cutting measures. ATNI-EDC would like to remind Bonneville that the SN CRAC was a negotiated tool agreed upon by the customers to use in the unlikely event that it appeared that a Bonneville treasury payment would be missed. It served to keep the base rate to a lower number by placing some of the more exceptional risks into the SN CRAC procedure and removing those risks from the basic rate base. Now that the contingencies established in the SN CRAC agreement have come to pass, the customers no longer want to stand by their agreement. ATNI-EDC encourages Bonneville to implement the SN CRAC as proposed.

Secondly, ATNI-EDC opposes "cost cutting" measures that are designed to lower the fish and wildlife mitigation obligation. Bonneville is reminded that federal law requires that the wealth of the river be used equally to support power and fish and wildlife purposes. The power purpose is not paramount and should not be made more important than fish and wildlife obligations. Cuts in fish and wildlife costs that impair the ecosystem's ability to sustain fish populations are more offensive to tribal cultures than high power rates are to customers. High power rates affect only financial interests while ecological damages resulting from degraded river systems affects not only our financial interests but also our very culture and continued existence.

Third, ATNI-EDC supports Bonneville's measures to settle various disputes, such as the dispute with Enron, the residential exchange issues; and to renegotiate bonds and other long term obligations in efforts to cut costs. We also support other general cost cutting measures. All these difficult negotiations and agreements will assist Bonneville in delaying concerns over failure to pay treasury. Thank you for your hard work in resolving these difficult issues.

Thank you for this opportunity to comment. Please contact Margaret Schaff at (303) 443-0182 if there are any questions.

MAY 0 1 2003

..... E-mail printed for : mitchj .....

Date: 4/21/03
To: Comment@bpa.gov
Subject: Raise Rates:

PUD of Snohomish Co. encourage us customers to input toward this critical BPA decision on increase rates that concern us. We customers can't afford too high rate and we request BPA not to increase the rate, please!

In Phoenix, Electricity Power company called SRP has cheap rate in comparison with here in Wash. State, please keep the rate low for us to afford. Thank you lot.

I appreciate to hear from you very much.

Janet Mitchell

J. L. Mitchell
6206 188th St. NE Unit 41
Arlington, WA 98223

.....

Date printed: Apr 21 2003

April 21, 2003

Dear Gentlemen:

Enclosed E-mail message for you because I did not hear from BPA.

I appreciate to hear by e-mailing at mitchj@mymailstation.com. very much.

Sincerely,
J.L. Mitchell

SN-03-W-1096

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Thursday, May 01, 2003 12:31 PM
To: Kuehn, Ginny - DM-7
Subject: FW: Sn crac

-----Original Message-----
From: McGuire, Dale [mailto:Dale.McGuire@alcoa.com]
Sent: Thursday, May 01, 2003 10:37 AM
To: 'Sjwright@bpa.gov'
Subject: Sn crac

Dear Mr. Wright,

Let me take a few minutes to express my opinion along with the many throughout the region that the current rate case to possibly raise power rates in our region would have a devastating impact on our economy. There must be another way. From utilities to industries to the average homeowner the impact can only be make our ability to survive a difficult time only worse. Please make every effort possible to eliminate the need for any increase in wholesale power rates. Our region and my family in particular will be devastated if there is a rate increase. Thank you for the efforts already made to help in the matter. But please don't stop short of the goal. Many families in the region including mine are depending on you.

Sincerely,
Dale McGuire

SN-03-W-1097

Kuehn, Ginny - DM-7

MAY 0 1 2003

From: Lance Vanderhyde [lvanderhyde@theskagit.com]
Sent: Thursday, May 01, 2003 1:35 PM
To: 'comment@bpa.gov'
Subject: No rate hike

Dear Sirs,

I am asking that you don't put 879 people out of work. The loss would not only be 879 families with the loss of one income but also some small businesses that depend one those people may have to close their doors. You can be certain that a rate hike would be the loss of Intalco as a customer to your company.
Lance C. Vanderhyde
360-312-9095
Ferndale

SN-03-W-1098

MAY 0 1 2003

April 29, 2003

Stephen Wright, BPA Administrator
905 NE 11th Avenue
Portland, OR 97232

Dear Mr. Wright,

It appears that BPA is considering raising electric rates to help recover from their financial crisis. This is a major concern to me and to the community in general. It is difficult enough to pay the current rates, imagine what another increase is going to do to the elderly on fixed incomes and the unemployed (which Cowlitz County has a high percentage of).

We do not get higher wages to cover these cost increases or have the privilege of adjusting other costs to off-set these rate increases. Why must BPA not be required to look closely at their budget/forecasts and adjust to work within it, instead of going to the public for more assistance?

Please look at this situation very closely because the consequence is a serious one.

Sincerely,
Cindy Moses
Cindy Moses
4147 Mt. Brynion Road
Kelso, WA 98626

SN-03-W-1099

MAY 0 1 2003

ASSOCIATION-OF-WESTERN-PULP-AND-PAPER-WORKERS
A Union for Today... and Tomorrow
Affiliated with the United Brotherhood of Carpenters and Joiners of America
1430 S.W. Clay • P.O. Box 4566 • Portland, OR 97208-4566 • Phone (503) 228-7486 • FAX (503) 228-1346

May 1, 2003

Mr. Steven Wright
Chief Executive Officer
Bonneville Power Administration
905 N.E. 11th Ave.
Portland, OR 97208
Fax#: (503)230-4018

Dear Mr. Wright:

Comments on the proposed SN CRAC 03 case on behalf of the membership of the Association of Western Pulp and Paper Workers. The Association of Western Pulp and Paper Workers represents over 9000 hourly employees of various pulp and paper manufacturers, employed in Washington, Oregon, Idaho, Utah, and California.

The AWPPW has serious reservations and concerns regarding the BPA's proposal to raise electrical power rates in October of this year. Industrial manufacturing employers and their employees have been significantly negatively impacted by increasing electrical power rates and rate instability for over two years at this point. Numerous manufacturing facilities that already had significant financial and competitive pressures within their industries have been curtailed or completely shut down due to the added impact of electricity rate increases in the last two or more years. Far from just affecting the bottom line of a corporation, these curtailments, shift of production outside the Pacific Northwest, and closures significantly impact the employees and their families, in many cases catastrophically. In addition to the impact on facilities already under competitive pressure, manufacturing facilities that had been financially healthy and stable have also been forced to curtail or close due to the impact of electrical rates alone.

Examples of impacts to our membership in the last couple years due to electrical rates include the closure of the Georgia Pacific pulp mill in Bellingham, Washington and the closure of the Newark Sierra mill in California. The Georgia Pacific pulp mill was running in the black; it was making a profit, meeting corporate and customer production and quality standards, and had just invested tens of millions of dollars in capital improvements to ensure environmental compliance for years to come. Yet the mill shut down, eliminating nearly 400 family wage jobs, in fact some of the highest paying jobs with some of the best benefits in the county, due to electrical power rates. Similarly, Newark Sierra recently closed one of it's California facilities due to a couple reasons, and heading that list was electrical power rates. This closure alone eliminated nearly 100 family wage jobs from that community.

The impact on the Pacific Northwest economy from these electrical rate related closures are significant. The impact of these rates to manufacturing facilities is disparately greater than to other segments of the economy, such as service industries. As a result, the economic diversity of the region is being negatively impacted as manufacturing facilities are eliminated, as they are not being replaced. This has a long term negative impact on the rest of the economy and the other economic sectors, as each sector depends upon the existence of the other sectors to prosper long term and to weather economic down-turns. This pressure decreasing economic diversity and decreasing the proportion of manufacturing jobs within the Pacific Northwest economy is contrary to other public efforts, such as the series of bills recently run in the Washington State Legislature whose goal was to stimulate growth in the manufacturing segment of the economy.

The impact to individual families is also significant. In general, and certainly within our industry, manufacturing jobs have some of the highest average wages and some of the highest average value benefit packages in the counties and communities in which they exist. These family wage jobs support many other jobs within the community, generally between 3 and 9 times the number of these high paying jobs, depending on which study one chooses to put the most faith. There simply are no more of these family wage jobs to replace those lost, forcing families to make hard choices and significantly curtailing their quality of life. During the support and outreach project which our organization sponsored for our displaced members in Bellingham, one woman expressed her frustration with her outlook for future employment in the county. Her son was the fifth generation of her family born in the county, but she would likely have to move her family out of the county and perhaps out of the State, because there were no jobs available to her that would allow her to support her family. Her situation was not an isolated incident.

The impact of the rate increases and instability of the last two or more years and the closures and curtailments that have resulted are done. The jobs are gone or curtailed, and won't be coming back. The opportunity at this point is to recognize and learn from these events. While many manufacturing facilities have survived, the increase in rates has pushed every one of these surviving facilities that much closer to the same end. Further rate increases will force the curtailment and closure of more manufacturing facilities, including facilities in the pulp and paper industry whose employees we represent. The pulp and paper industry is highly dependent upon electricity and electricity prices. None of the facilities with which we represent employee are DSI facilities, and so do not have access to the additional benefits those facilities receive. Nearly every employer with which we deal has expressed concern for the continued operation of the facilities to one degree or another due to possible rate increases this fall. The Association of Western Pulp and Paper Workers urges the BPA to do absolutely everything within its power to ensure the rates are not increased further, and to withdraw it's proposal to implement the SN CRAC.

Sincerely,

John N. Rhodes
President

MAY 0 1 2003

NORTHWEST POWER PLANNING COUNCIL

851 S.W. SIXTH AVENUE, SUITE 1100
PORTLAND, OREGON 97204-1348

Fax: 503-820-2370
Phone: 503-222-5161
1-800-452-5161
Internet: www.nwcouncil.org

April 30, 2003

Bonneville Power Administration
P.O. Box 12999
Portland, Oregon 97212

Re: Comment on SN CRAC Initial Proposal

The Council was established by Congress in 1980 and created as an interstate compact by the states of Idaho, Montana, Oregon and Washington. Its purpose is to develop a 20-year regional electric power plan to assure for the Pacific Northwest an adequate supply of power at the lowest possible cost, and to develop a program to protect and rebuild fish and wildlife resources affected by hydroelectric development in the Columbia River Basin. The Council carries out its responsibilities under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act), P.L. 96-501.

As an agency representing the four Northwest states, the Council is concerned about Bonneville's financial condition, and the impact it has on the economy of the entire region. The Council understands the importance of maintaining Bonneville's stature as the region's primary low-cost electricity provider, and will continue working with Bonneville and other interests in the region to ensure Bonneville remains financially robust. One of the Council's areas of expertise is the fish and wildlife program, and it is in that area that the Council will add value to this rates proceeding. We intend to work with Bonneville to ensure its legal obligations for fish and wildlife are met at the lowest possible cost, with continued financial flexibility and high transparency.

In this case the Council is providing comment for the sole and limited purpose of clarifying how the SN CRAC Initial Proposal represents Bonneville's fish and wildlife cost estimates in two instances. The Council remains committed to ensuring that Bonneville's obligations, including its fish and wildlife obligations, are met in an efficient and cost-effective manner. The pursuit of that objective requires clear and accurate descriptions of how those obligations have been defined and how planned expenditures can meet them.

There are two elements of the Initial Proposal that the Council will comment on. Both have to do with the way that the direct fish and wildlife program is described in the Initial Proposal and supporting Direct Testimony.

1. The Council does not believe that the Initial Proposal[1] and supporting Direct Testimony[2] accurately portrays the origin of the expense portion of the direct fish and wildlife program cost ($139 million) for Fiscal Years 2004 through 2006.

The Initial Proposal includes income statements for the tests of revenues under current and revised rates (*see* Lines 12 in Tables 3-5A and 3-6A). For both current and revised rate tests, the income statements show the expense portion of the direct program cost as $139 million in Fiscal Years 2004 through 2006. The Proposal explains that this cost is:

> *designed to accomplish measures in the NWPPC's Columbia River Basin Fish and Wildlife Program and the 2000 NOAA Fisheries and USFWS Biological Opinions, and to be consistent with the Action Agencies' Implementation Plan.* (*See* Proposal at 3-16, lines 7-12).

The Council believes that the description of the origin of the $139 million budget for the expense portion of the direct program cost is vague, and potentially misunderstood. That is, the above proposal language could be read as a declaration by Bonneville that the $139 million/year figure was arrived at by "costing out" the Council's fish and wildlife program and biological opinions through FY 2006. Further, if the language was interpreted to mean that the figure was developed by estimating the implementation costs of those plans, it would also suggest that $139/year through FY 2006 was determined to be *sufficient* to fully implement them. The Council believes that such an interpretation or representation is incorrect.

The Initial Proposal says only that this fund will "accomplish" measures that exist in the Council's fish and wildlife program and the biological opinions. The Initial Proposal does not, and at this point, should not, claim that $139 million/year will be *sufficient* to accomplish *all measures* required by those plans through FY 2006. Similarly, the excerpted language should not be understood to mean that the $139 million/year cost was derived by estimating the cost of implementing the Council's fish and wildlife program and the biological opinions. Rather, this Initial Proposal language should be read simply as a statement that under current or revised rate tests, a sum of $139 million/year was assumed to be *available* to implement measures that exist within the Council's program and/or the biological opinions.

The Direct Testimony attached to and referenced in the Initial Proposal adds to the risk that the language excerpted above will be misunderstood. The testimony goes beyond the language of the Initial Proposal, and includes declarations suggesting that:

> (1) the cost of $139 million for the expense portion of the direct fish and wildlife program was calculated by estimating the cost of implementing the biological opinions and Council's fish and wildlife program, and;

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[1] SN-03-E-BPA-01
[2] SN-03-E-BPA-04 and SN-03-E-BPA-06

(2) $139 million is sufficient to fund the Council's fish and wildlife program and the biological opinions.[3]

On the first point, the Direct Testimony states that the $139 million cost was arrived at as an estimation of the cost of implementing the Action Agency Fiscal Year 2003 - 2007 Implementation Plan for the FCRPS and the Council's program. If the testimony seeks to aver that the 2003-2007 Implementation Plan was developed without a budget constraint, and when completed, its measures added to the cost of implementing the Council's program totaled $139 million/year through FY 06, it is not accurate. Rather, the $139 million figure was actually developed prior to the FY 2003 -2007 Action Agency Implementation Plan. Further, the Council has not sought to estimate the cost of fully implementing its fish and wildlife program through FY 2006. The Council anticipates substantial changes and additional definition will be added to its program as subbasin plans are adopted beginning in Fiscal Year 2005. Additionally, the Council just this month amended its program by adopting a Mainstem Plan, and the costs of implementing measures called for in that new portion of the program will have to be accounted for.[4]

The $139 million/year expense direct program cost has its origin in the May 2000 Bonneville Rate Case, and is essentially the midpoint of a range of potential direct expense program costs that Bonneville was considering as possible. The May 2000 Rate Case did not establish a firm and fixed expense direct fish and wildlife program cost. The Council's opinion is that the $139 million figure for the expense portion of the direct program was first made a "firm" cost figure by Bonneville in a letter dated December 3, 2001 from Administrator Steve Wright to Council Chairman Larry Cassidy. Mr. Wright introduced the letter by explaining that one of its purposes was to establish Bonneville's funding estimate for the 2002-2006 rate period:

> *We also wish to clarify BPA's fish and wildlife spending estimates for fiscal years (FY) 2002 through 2006, now that the FY 1996 – 2001 Budget Memorandum of Agreement (MOA) has expired for that period.*
>
> *On a planning basis for FY 2002 - 2006, an annual average of $150 million a year of expense dollars is estimated by BPA for funding the offsite ESA Mitigation as described in the 2000 FCRPS BiOps and revised Council Program. This amount is fifty percent greater than the previous MOA and consistent with the funding range assumed in the power rate case and with the Fish & Wildlife Funding Principles that projected an annual average of $139 million in accruals for purposes of setting BPA's revenue requirement. The $139 million amount represents a weighted average of the thirteen modeled alternatives having a range of $109-$179 million as identified in the FY 02 - 06 rate period.*

It is clear that that the FY 2003- 2007Action Agency Implementation Plan was not the basis for establishing a $139 million cost for the expense direct program. The figure has its

[3] SN-03-BPA-04, p. 10, line 21 through p. 11, line 21; SN-03-BPA-06, p. 9, lines 4-9.
[4] For example, the newly adopted Mainstem Plan calls for several major tests and experiments related to river and reservoir operations. The funding responsibility and costs of those requires additional discussion.

origin in the 2000 Rate Case, and the Administrator advised the Council and public that Bonneville planned to spend an annual average of $139 million in December 2001, long before the Implementation Plan referenced in the Direct Testimony was developed. Finally, the Council has not been consulted, nor has it verified for Bonneville, that its fish and wildlife program and the requirements of the biological opinions can be fully implemented through Fiscal Year 2006 within the $139 million/year cost figure.

With regard to the second point, the Council believes that the Direct Testimony, particularly that in SN-03-BPA-06, incorrectly suggests that there has been analysis completed that shows that $139 million is *sufficient* to fully implement the Council's fish and wildlife program and the biological opinions. Again, the language in the testimony is somewhat ambiguous, saying that the sum is "expected to meet the requirements" of these fish and wildlife plans. The Council believes that it would be incorrect to interpret this language to mean that there has been a review and cost estimation of its fish and wildlife program and the biological opinions through Fiscal Year 2006 and that the annual amount needed is $139 million/year through Fiscal Year 2006.

Late last year the Administrator asked the Council to ensure that fish and wildlife expenditures in the expense portion of the direct program would not exceed $139 million in Fiscal Year 2003. The Council lead an extensive regional exercise to identify reductions and deferrals to meet that request. Obligations that Bonneville had previously made were adjusted to fit within that cap for Fiscal Year 2003. However, the Council informed the Administrator that without refined program management practices and accounting systems and rules, and agreement on the terms dictating access to the capital funds Bonneville had committed for fish and wildlife[5], it could not provide assurance that Bonneville's fish and wildlife obligations could be met at that same cost in Fiscal Year 2004 and beyond.[6]

The Council recommends that Bonneville clarify language of the Initial Proposal to remove the possible inference that the $139 million/year cost is the product of costing out of the fish and wildlife plans, and that there has been a determination that this amount is sufficient to implement all measures in those plans through FY 2006.

2. The Initial Proposal includes language that could be interpreted to unnecessarily impede Bonneville's ability to provide access to the $36 million dollars/year in borrowing authority for fish and wildlife that the Administrator committed in 2001.

The Council is responsible under the Northwest Power Act for making recommendations to Bonneville for funding projects in the direct program.[7] The Council adopted a provincial review process for prioritizing fish and wildlife program implementation and developing project recommendations. The provincial review process also integrates Bonneville's requirements under the biological opinions. The first cycle of provincial reviews is nearing completion. The

[5] See letter dated December 3, 2001 from Bonneville Administrator, Steve Wright, to Council Chairman, Larry Cassidy.
[6] See letter dated February 21, 2003 from Council Chairwoman Judi Danielson to Bonneville Administrator, Steve Wright.
[7] Section 4(h)(10)(D)

process involved a very wide range of stakeholders and interested parties, brought independent science to bear on each and every project, and took three years to complete.

While the provincial review process was underway, the Administrator provided the Council Chairman a letter explaining Bonneville's budget commitment for the current rate period.[8] That letter established an annual average of $186 million/year as the direct program fish and wildlife budget. With respect to access to borrowing authority funds, the Administrator's letter provided as follows:

> *I. ESA Offsite Mitigation and Council Program Capital Expenditures*
>
> *These costs consist of fish and wildlife-related borrowing by BPA, or future capital investments directly funded through BPA borrowing, that support activities called for in the 2000 BiOps and the Council's Program.*
>
> *On a planning basis, an annual average of $36 million a year of capital for funding the offsite ESA Mitigation and Council Program is estimated by BPA. As a comparison, this figure is a third larger than the estimate of $27 million each year of capital for the previous FY 1996 – 2001 Budget MOA.*

Once the Council received this, it made adjustments in the provincial review process to keep the planning budget within the $186 million annual average committed by the Administrator. However, the Council was recently notified that Bonneville believes that it had not satisfied all requirements to allow it to fund a significant number of the fish and wildlife projects that were prioritized in the provincial review process and recommended for funding by the Council. Specifically, Bonneville representatives have advised the Council that, notwithstanding the December 3, 2001 letter from the Administrator, it believes that it may not provide access to the $36 million/year of capital for the land acquisition projects because it did not provide sufficient notice in prior rate cases.

The Council is pleased that Bonneville is trying to remedy any deficiencies that it must in order to provide access to the capital funds that the Administrator has committed. The Council has formally asked Bonneville to do so.[9] Unfortunately, however, the Council believes that the language included in the Initial Proposal creates unnecessary and/or improper qualifications on the access to the capital funds that Bonneville has committed for fish and wildlife land projects. The unnecessary or improper qualifications are:

1. That the project provide a "*creditable/quantifiable benefit against a defined obligation for BPA.*"

2. That the project cost exceed $1 million.

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[8] Letter dated December 3, 2001 from Bonneville Administrator Steve Wright to Council Chairman Larry Cassidy.
[9] *See* Letter dated February 21, 2003 from Council Chairwoman Judi Danielson to Bonneville Administrator Steve Wright.

On the first point, the Council certainly supports prioritizing Bonneville fish and wildlife spending, in fact limiting it, to projects that provide quantifiable benefits. The Council also has historically sought to ensure that ratepayer funds are expended exclusively for Bonneville responsibilities. However, the Council is disappointed to see Bonneville transfer the ongoing regional discussions about crediting for wildlife into the Rate Case Initial Proposal. The Council has a developed a subcommittee to discuss wildlife crediting issues, and the Council, Bonneville, and fish and wildlife managers have been participating in good faith over the past year. In its letter of February 21, 2003 the Council clearly asked that the "wildlife crediting issue" policy discussion not be entangled with legal and accounting standards.

In April, Bonneville's Chief Financial Officer explained Bonneville's view on the legal and accounting requirements for funding land acquisitions with borrowing authority. Our understanding after that meeting was that the standards of Financial Accounting Standard 71 (FAS 71) define the accounting requirements, and so long as those are met, the Administrator retained broad discretion to decide what may be capitalized. Neither applicable law nor FAS 71 requires that a specific "crediting" system be agreed upon by the Council and Bonneville to provide access to the capital funds. The Council is concerned that the Initial Proposal language requiring a "crediting system" introduces a new impediment to implementing the fish and wildlife program and biological opinions and changes the terms provided by the Administrator in his December 3, 2001 letter.

On the second point, the Council believes that limiting access to projects over $1 million is a misinterpretation of section 4(h)(10)(B) of the Act. That section *requires or directs* Bonneville to capitalize the construction costs of facilities when those costs exceed $1 million and have an expected life of greater than 15 years. That is, this section of the act says that when securing an asset that fits this very specific definition, it *must* capitalize it. However, this section of the Act *does not* broadly constrain the Administrator's financing options when an asset does not fit the definition (facility/$1 million/15 year life). In all instances where the asset does not meet the definition of the class described in 4(h)(10)(B), the Administrator is free to choose to the method of financing -- capitalization or the Bonneville fund.

Bonneville should verify that access to capital for fish and wildlife land acquisitions is available even in instances where the costs are less than $1 million.

The Council recommends that the Initial Proposal language be interpreted or modified to require that land acquisitions may be capitalized in accord with applicable law.

Sincerely,

Judi Danielson
Chair

x:\jh\ww\sncrac comment 5_1_03.doc

Kuehn, Ginny - DM-7

From: maryv@aimcomm.com
Sent: Thursday, May 01, 2003 4:12 PM
To: comment@bpa.gov
Subject: Comment on SN CRAC Rate Proposal

Comment on
SN CRAC Rate Proposal
View open comment periods on http://www.bpa.gov/corporate/kc/home/comment.cfm

Mary Verner, Executive Director, UCUT

maryv@aimcomm.com

509-838-1057

910 North Washington

Spokane WA 99201

COMMENTS OF THE UPPER COLUMBIA UNITED TRIBES (Coeur d'Alene, Colville, Kalispel, Kootenai and Spokane Tribes):

1. BPA's proposal for a "multi-year" SN CRAC is appropriate. A procedure for a SN CRAC to "trigger" based on certain threshold conditions without requiring a rate setting-process in each year will add efficiency, certainty and stability for the balance of this rate period (until 2006).

2. If BPA is going to adopt a variable rate, it also should adopt a variable level of funding to meet its costs so that, in good financial times, BPA fully pays for its contractual and trust obligations to Indian Tribes and fully pays for and reimburses prior deductions from its fish and wildlife and trust obligations.

3. BPA proposes to preclude recovering any "excess controllable internal operating costs" in the SN CRAC if those costs "exceed limits set for 2003-2006."
It appears from BPA's rate proposal that BPA intends to include BPA's fish and wildlife obligations under this capped-cost category. If this is the case, BPA has not conducted a reasonable analysis of the true and likely costs of fully meeting its statutory, contractual and legal commitments to fund fish and wildlife in order to cap this "internal cost" at a prudent level in the rate-setting process. Fish and wildlife funding should not be considered a "controllable internal operating cost" in the SN CRAC. Wherever BPA places its fish and wildlife costs in the rate design, such costs should be estimated using rationale and reasonable bases, such as the CEQ compilations of estimated costs of the Biological Opinions and NWPCC's Fish & Wildlife Program, estimates generated during the NWPCC's Provincial Reviews, or other estimates based on actual identified need, rather than arbitrary numbers generated in a BPA budgeting exercise.

4. BPA should not diminish its probability of meeting its Treasury payment in full and on-time. Meeting the Treasury obligation is fundamental to BPA's borrowing authority and long-term financial (and political) well-being.

5. The SN CRAC should clarify, in absolute terms, that BPA may and should consider its fish and wildlife habitat acquisitions (required under Biological Opinions and the NWPCC's Fish and Wildlife Program) to be capital expenses, that BPA may aggregate parcels to meet minimum dollar requirements for capital costs, and that BPA can and should use its expanded borrowing authority to finance its habitat acquisition obligations.

6. BPA should seek cost-savings and efficiency in its "reimbursables" programs with the Corps and Reclamation, and in its discretionary hydrosystem operations to minimize costs currently blamed on "fish and wildlife." Better cost-control by the Federal Action Agencies likely could save $$millions in "foregone revenue" that does not directly benefit fish and wildlife (although the costs are blamed on fish and wildlife operations and capital expense).

7. BPA's rate proposal does not appear to incorporate any prudent "cushion" for MANY uncertainties BPA faces during the balance of the 2002-2006 rate period. BPA does not

address pending litigation, ongoing negotiation of various settlements not mentioned in the proposal, the potential for new consultations on the Biological Opinion, and other significant likelihoods of cost increases. The proposal does not acknowledge any lessons learned from the worst-case-scenario experience BPA has endured since 2000; indeed, this proposal continues to paint too rosy an outlook in order to keep rates below market.

8. The proposal does not appear to include any detailed analysis of the economic impacts to ratepayers of a rate increase, in lay terms that translate to the average retail consumer. Certainly, the proposal does not include analysis of the economic impacts of BPA's failure to fund its obligations to Tribes to fund fish and wildlife, cultural resources, and other commitments, almost all of which trickle down in rural economies throughout the Columbia River Basin.

9. The initial rate design, incorporate FB, LB and SN CRAC's, anticipated that BPA would raise its rates under certain contingent circumstances, in order to keep BPA financially healthy and capable of meeting all of its obligations. There is little point in going through the exercise of a SN CRAC rate case if BPA does not now increase its rates to a sufficient level to meet its costs, as the CRACs were originally designed to allow.

We trust that these comments will be given serious consideration, as they are submitted on behalf of five federally-recognized Columbia Basin tribes, to whom BPA owes a trust responsibility and with whom BPA has numerous commitments and statutory and legal obligations.

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: Michael Garrity [mgarrity@americanrivers.org]
Sent: Thursday, May 01, 2003 5:07 PM
To: 'comments@bpa.gov'
Subject: SN CRAC (SN-03) Comments

To Whom it May Concern,

Please accept the attached comments from a number of conservation and fishing organizations.

Thanks,

Michael Garrity

<<SN-03commentsFINAL.doc>>

Michael Garrity
American Rivers
Northwest Regional Office
150 Nickerson Street, Suite 311
Seattle, WA 98109
ph: (206) 213-0330, ext. 11
fax: (206) 213-0334
www.americanrivers.org

AMERICAN RIVERS * FRIENDS OF THE EARTH * IDAHO RIVERS UNITED * INSTITUTE FOR FISHERIES RESOURCES * PACIFIC COAST FEDERATION OF FISHERMEN'S ASSOCIATIONS * SIERRA CLUB * NATIONAL WILDLIFE FEDERATION

May 1, 2003

Stephen J. Wright
Administrator
Bonneville Power Administration
P.O. Box 12999
Portland, OR 97212

Re: Comments on the 2003 SN CRAC Expedited Rate Case (SN-03)

Dear Administrator Wright:

On behalf of the undersigned organizations and our combined membership in the Pacific Northwest and throughout the United States, we submit the following comments regarding the Bonneville Power Administration's (BPA) 2003 Safety-Net Cost Recovery Adjustment Clause (SN CRAC) Rate Case. Our organizations represent diverse interests in the Northwest, ranging from commercial and sport fishing industry associations, conservation organizations, recreational river users, and others. Yet, despite this diversity, we remain focused on a common goal: the return of sustainable, harvestable populations of wild salmon and steelhead to the rivers and streams of the Pacific Northwest.

BPA's power business is inextricably linked to its ability to protect and restore wild salmon and steelhead in the Pacific Northwest. By law, BPA must have sufficient revenues to meet its salmon obligations and promote clean energy. These laws and treaties accord with regional self-interest; meeting salmon and clean energy obligations benefit the region economically, socially, and environmentally. Conversely, failure to meet fish and wildlife obligations exposes the power system to economic and legal risk, while failure to maintain consistent conservation and renewables funding exposes it to increased volatility and costs. As stated recently by the Northwest Power Council, "Bonneville's many programs are not all equal. Some, such as the fish and wildlife program, respond to legal obligations that cannot be abandoned, even temporarily."[1]

BPA is currently facing a $900 million deficit through 2006, and barring extraordinary circumstances, will miss its annual payment to the U.S. Treasury in FY03. These financial woes have inappropriately affected the agency's performance of its fish and wildlife responsibilities, despite the fact that these responsibilities are in no way the cause of these financial woes. One

[1] Letter from Judi Danielson, Chair, *Northwest Power Planning Council* to Steve Wright, Administrator, *Bonneville Power Administration*, February 21, 2003.

need only look to the summer of 2001, when BPA unilaterally curtailed salmon-friendly dam operations in a strikingly unsuccessful attempt shield itself from a volatile power market.

In this light, we offer the following comment on the SN CRAC Rate Case:

I. BPA's Rate Case Proposal is Insufficient to meet its Responsibilities Under the Endangered Species Act, the Northwest Power Act, and Tribal Treaties.

A. Funding Assumptions

In its proposal for the SN CRAC Rate Case, BPA has inappropriately placed a cap on its fish and wildlife expenses at $139 million per year through 2006. BPA has also made it clear that it will be seeking further fish and wildlife cuts through the remainder of the rate period. This cap was recently imposed upon the Northwest Power Planning Council (Council) for FY2003 by BPA and resulted in a cut of around $40 million in accrued fish and wildlife expenses.

A cap of $139 million per year is wholly inadequate to meet BPA's salmon recovery responsibilities. A recent analysis by the Columbia Basin Fish and Wildlife Authority (CBFWA) demonstrates the need for a minimum of $247 million annually to implement BPA's Endangered Species Act offsite mitigation requirements, as well as the Northwest Power Planning Council's (Council) Fish and Wildlife Program.[2] The CBFWA analysis consists of a summary of nearly 700 proposals solicited and ultimately approved through the Council's Provincial Review. All proposals included 3-year budgets, and were subject to a detailed review by the Independent Scientific Review Panel (ISRP) and federal, state and tribal fish and wildlife managers. Our organizations view this as an overly conservative estimate based on significant future cost uncertainties referenced below. However, given the insufficiency of BPA's proposal, we feel it is a more acceptable baseline.

CBFWA's analysis is roughly equivalent to BPA's "direct program" responsibilities, which include a significant portion of the agency's responsibilities under the National Marine Fisheries Service (NMFS) Federal Columbia River Power System (FCRPS) Biological Opinion (BiOp), and the Council's Fish and Wildlife Program. However, there are additional costs associated with BPA's FCRPS BiOp responsibilites, such as reimbursable operations and maintenance (O&M) costs, capital expenses, bond repayment, and transmission. It is difficult to determine from BPA's Power Business Line Summary of Net Revenues to what extent those additional costs are adequately accounted for. An internal analysis by NMFS staff estimated agency-by-agency funding needs in order to implement the NMFS BiOp. According to this analysis, BPA's annual subtotal is in the range of $500 million per year from fiscal years 2003-2006.[3]

B. River Operations Assumptions

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[2] Columbia Basin Fish and Wildlife Authority, *Results of the Provincial Review: Estimated Budget Needs Through FY2006*, April 16, 2003.

[3] Internal *National Marine Fisheries Service* Memo on FCRPS BiOp funding needs, Nov. 2000 (available upon request).

BPA also appears to be relying on fish-related hydro operations assumptions that differ significantly from those needed to implement the NMFS FCRPS BiOp. According to testimony submitted by the Columbia River Inter-Tribal Fish Commission, BPA is assuming decreases in flows in March through May, and an increase in flows in January.[4] Thus, BPA is assuming an increase in hydro generation at the expense of the spring salmon migration. As far as we are aware, such changes have not been approved within the Regional Forum. It is unclear how BPA is justifying these changes.

Besides causing potential biological harm to threatened and endangered salmon, BPA's river operations assumptions raise other cause for alarm. By assuming hydro-operation changes that have not yet been approved, BPA is overstating the amount of hydropower generation and subsequent revenue that it can reasonably expect, thus placing additional strain on the hydrosystem. BPA should not attempt to narrowly define hydro operations in upcoming fiscal years, but instead should take a precautionary approach, assuming a range of potential fish-related hydro operations, including an *increase* in spill and flow augmentation.

II. BPA's Rate Structure Must Be Flexible Enough to Respond to a Range of Fish and Wildlife Funding Scenarios.

In its previous Rate Case (2000), as described in BPA's "Fish and Wildlife Funding Principles," BPA committed itself to a broad range of fish and wildlife funding scenarios ($438 million to $781 million) in order to fully capture the potential costs of the then-unreleased BiOp, as well as future scenarios including lower Snake River dam removal. In its SNCRAC proposal, as described above, BPA has abandoned the "range" approach outlined in its Funding Principles, and instead imposed a cap on the agency's fish and wildlife commitments through the end of the rate period.

This approach is particularly disconcerting. BPA can be no more certain of its potential fish and wildlife costs now that it was in 2000 when the Fish and Wildlife Funding Principles were adopted, and thus it cannot assume that fish and wildlife funding needs through FY2006 will be fixed. To do so would be a blatant violation of Fish and Wildlife Funding Principles 2 and 7, which state: "Bonneville will take into account the *full range of potential* fish and wildlife costs," and that "Bonneville will adopt an approach that is *flexible in order to respond to a variety of different fish and wildlife cost scenarios*," respectively (emphasis added).[5]

There are a host of uncertainties about the extent of BPA's fish and wildlife obligations through the remainder of the current rate period and beyond. Given this, we urge BPA to be more flexible in assuming its fish and wildlife obligations and abide by its own Fish and Wildlife Funding Principles. The following represents a discussion of some, but not all, future uncertainties:

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[4] Direct Testimony of the Columbia River Inter-Tribal Fish Commission and Yakama Nation, Bonneville Power Administration Docket No. SN-03, April 18, 2003

[5] *Bonneville Power Administration*, Fish and Wildlife Funding Principles, http://www.bpa.gov/Corporate/KCC/subffpx.shtml

1) **NMFS BiOp**: The current FCRPS BiOp includes a series of check-ins to determine if the BiOp is receiving the proper attention from a funding and implementation standpoint, as well as to determine whether the Reasonable and Prudent Action it puts forth is indeed meeting biological objectives. Two of the check-ins will occur (in 2003 and 2005) before the end of the current rate period. According to NMFS, if these evaluation points show that implementation is neither timely nor sufficient, "then NMFS will indicate how the Action Agencies can revise the RPA implementation through new 1- and 5- year plans to meet the hydro and off-site performance standards. For example, the plans could call for further efforts to reduce hydro system mortality" by increasing flow augmentation and spill.[6] Moreover, "failure to implement enough estuary or tributary habitat improvements for Snake River ESUs could necessitate that the Action Agencies seek authorization to breach Snake River dams (while continuing efforts to restore estuary and tributary habitat)...."[7] In each case, BPA's fish and wildlife costs would be likely to increase. In addition, the adequacy of the BiOp itself is the subject of a lawsuit that should be resolved shortly, and could result in the need for major revisions.

2) **Subbasin Planning:** The Council is developing more detailed Subbasin Plans that will replace current summaries from the Provincial Review. These plans will identify additional work needed to adequately mitigate the harm caused to salmon by the FCRPS, and are currently expected to be completed in FY 2004. These plans will likely increase BPA's fish and wildlife budget needs in the latter part of the current rate period.

3) **Recovery Planning**: Recovery planning is currently underway for the Willamette and lower Columbia River basins and the interior Columbia Basin to attempt to halt the decline of threatened and endangered salmon and steelhead ESUs. Throughout the course of recovery planning, it is likely that additional or alternative measures will be necessary to achieve the recovery goals identified.

4) **Clean Water Act Compliance**: The U.S. Environmental Protection Agency (EPA) is currently working with the states of Idaho, Oregon, and Washington, and in coordination with Columbia Basin Tribes, to develop Total Maximum Daily Loads (TMDL) for Temperature and Total Dissolved Gas (TDG) in the Columbia and Snake rivers. BPA could be responsible for a major portion of the Clean Water Act costs associated with the FCRPS dams. This process could be completed before the end of this rate period.

III. Salmon and Clean Energy Funding Must Be Insulated From the Uncertainties of BPA's Power Business.

We endorse the creation of a dedicated fund, with guaranteed multi-year, minimum funding levels (described above) to achieve this purpose. BPA has an ominous and consistent history of eluding its public purpose obligations for fiscal reasons that have too often proven shortsighted. Shielding BPA's obligations from the ups and downs of its power business and decision-making acumen is the only prudent way to assure that BPA's legal and treaty obligations to restore

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[6] NMFS 2000 Federal Columbia River Power System Biological Opinion, December 2000, at 9-43

[7] *Id.* at 9-44

salmon will be met. We also support eliminating BPA's overly dominant role in the distribution of fish and wildlife funds. In its place, a more salmon-oriented entity should be created that includes the participation of Columbia Basin tribal nations as co-managers.

Similarly, hydro operations needed for fish, such as spill and flow augmentation, must not be sacrificed to become a source of cheap revenues through the use of financial "emergencies." BPA must to pledge to not declare a "hydro emergency" for financial purposes.

BPA's "Fish and Wildlife Funding Principles" in the 2000 Rate Case were, in part, designed to create assurances that salmon obligations would be met by requiring a high probability of Treasury payment (both through 2006 and beyond), and similarly healthy financial reserves. In the absence of the creation of a dedicated multi-year fund, tribal participation in how its funds are spent, and a commitment not to declare financial hydro-emergencies, we call on and expect BPA to fully meet its commitments under the Fish and Wildlife Funding Principles to ensure a high level of fiscal solvency.

IV. SN-CRAC Rate Case Must Be Subject to Environmental Review Under the National Environmental Policy Act (NEPA).

In its Federal Register Notice on the initiation of the SN CRAC Rate Case, BPA announced it hopes to rely on its 1995 Business Plan Final Environmental Impact Statement (DOE/EIS-0183) to meet NEPA requirements of the rate case. That review did not study a scenario like that proposed by BPA: low reserves, high probability of missing one or more Treasury payments, cuts to conservation and renewables, and arbitrary (and inadequate) caps on fish funding. Given BPA's previous failure to set rates adequate to meet its legally mandated fish and wildlife and tribal trust responsibilites, the 2003 SN CRAC Rate Case must be subject to meaningful environmental review under NEPA.

V. BPA Must Restore Clean Energy Funding

Bonneville is required by the Power Act to assure the Northwest of an adequate, efficient, economical and reliable power supply. The fact that we are in this SN CRAC process is evidence that the agency has far to go in this respect. Instead, BPA has relied far too heavily on extremely variable hydro-generation and the extremely volatile gas-price driven power market. This has caused BPA's power supply to be much less adequate, efficient, economical and reliable than should be the case.

Adequate funding for substantially increased energy efficiency and renewables is key not only to relieve pressure on the Columbia and Snake rivers to produce energy, but also to help stabilize, and even reduce, potential rate impacts for consumers. Yet, in the context of this SN CRAC rate case, BPA has cut its conservation budget by 35 percent. This is an inappropriately large cut to a program that saves consumers money. Failure to maintain consistent conservation and renewable energy programs exposes the region's businesses and ratepayers to increased volatility and costs. We urge BPA to restore clean energy funding cuts.

VI. Conclusion

BPA's SN CRAC Rate Case Proposal, if approved in its current form, would be a substantial step back in improving the agency's already-poor record of meeting salmon recovery obligations. We urge BPA to adopt the recommendations outlined above in hopes of improving the agency's compliance with federal laws and treaties through the remainder of the current rate period and beyond. Thank you again for the opportunity to provide comments.

Sincerely,

Paula J. Del Giudice
Director, Northwestern Natural Resources Center
National Wildlife Federation

Bill Arthur
Northwest Regional Director
Sierra Club

Erich Pica
Economic Policy Analyst
Friends of the Earth

Bill Sedivy
Executive Director
Idaho Rivers United

Glen Spain
Northwest Regional Director
Pacific Coast Federation of Fishermen's Associations, Institute for Fisheries Resources

Rob Masonis
Northwest Regional Director
American Rivers

Kuehn, Ginny - DM-7

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Friday, May 02, 2003 10:03 AM
To: Kuehn, Ginny - DM-7
Subject: FW: Save family wage jobs

-----Original Message-----
From: Dkarbah@aol.com [mailto:Dkarbah@aol.com]
Sent: Friday, May 02, 2003 9:47 AM
To: sjwright@bpa.gov
Subject: Save family wage jobs

Dear Mr. Wright,
The proposed BPA rate increase that is being proposed will spell doom for many northwest industries. In our county Georgia Pacific has already closed due to high power prices. Boeing, Alcoa among many others have said that if your proposed increase happens there will be massive lay offs. Our unemployment rate in washington state is already one of the highest in the country. Please Mr. Wright help us keep our family wage jobs alive by doing all that you can to help.

Thank you in advance,
David S. Umbaugh

MAY 0 1 2003

Kuehn, Ginny - DM-7

From: M. L. Brown [mlbrown@pipeline1.com]
Sent: Friday, May 02, 2003 9:57 AM
To: Comment@bpa.gov
Subject: Rate Increases

I find it amazing that the BPA needs a rate increase. As we all know power contracts were signed with major companys who have defaulted or sold the power with no income to the BPA. In the normal business world these companys would be forclosed on and sold to recoup the loss, not raise rates to the everyday consumer do to poor management.

I also find it amazing that the maintence on the federal dams is so poor that many of the generators are not working at full capacity or not at all.

The money spent on Salmon is rediculous, as every solution is a shot in the dark and wastes millions of dollars which in no way benefits anybody but those hired to make like they know the answers. Salmon recovery to the levels of 1920 when the Columbia was over fished is impossible and realistically a big waste of money.

I believe the BPA needs to take a good look at it's management philosophy and it's business profile to correct the waste that has been occuring during the past several years.

M. Brown

MAY 0 2 2003

MARYSVILLE SCHOOL DISTRICT NO. 25

FINANCE and OPERATIONS
360-653-0803 or 360-653-0814
Fax: 360-651-7313

April 29, 2003

Bonneville Power Association
Attention: Mr. Steve Wright, Administrator
PO Box 3621
Portland, OR 97208-3621

Subject: BPA Electric Rate Hikes

Dear Mr. Wright:

As the state funding appropriation for Washington's schools continues to shrink, Marysville School District has to make hard choices that effect children's education as we try to allocate our decreasing available revenue.

Marysville School District is very active in promoting energy conservation and has many successes reducing power consumption and costs. However, the next phase of any significant conservation measures require additional funding, further stretching our budgets.

School districts are somewhat unique in the fact that we support the public interest but we are also on a "fixed income". We cannot simply raise the cost of our product to offset our increased costs; we have to choose to cut services somewhere. In Washington State, we also have the added burden of having to gain 60% of our patrons support to maintain funding from local levies.

Next fiscal year, the state apportionment will be approximately $2 million less than the current year for this school district. This decrease is occurring in spite of the fact that we are projecting stable or slightly increasing growth in our student population.

4220 80th St. N.E. Marysville, WA 98270-3498

"Marysville School District...developing self-directed, lifelong learners"

SN-03-W- 1106

MAY 0 2 2003

Before any rate increase is implemented, please identify how your agency can stabilize or reduce power costs for schools, not increase them. If you need further input or explanations, please do not hesitate to write or call.

Sincerely,

James E. Fenstermaker
Executive Director of Operations
(360) 653-0804

Cc: Senator Maria Cantwell
717 Hart Senate Office Building
Washington, D.C. 20510-4704

Senator Patty Murray
173 Russell Senate Office Building
Washington, D.C. 20510-4701

Representative Jay Inslee
1529 Longworth House Office Building
Washington, D.C. 20515

Federal Energy Regulatory Commission
Attention: Chairman Pat Wood
888 First Street.
Washington, D.C. 20426

Snohomish County PUD
Attention: Ed Hanson
2320 California Street
PO Box 1107
Everett, WA 98206-1107

Kuehn, Ginny - DM-7

MAY 0 2 2003

From: Stauffer, Nicki - A-7 on behalf of Wright, Stephen J - A-7
Sent: Friday, May 02, 2003 10:39 AM
To: Kuehn, Ginny - DM-7
Subject: FW: Please Save Our Jobs

-----Original Message-----
From: Dkarbah@aol.com [mailto:Dkarbah@aol.com]
Sent: Friday, May 02, 2003 10:28 AM
To: senator_murray@murray.senate.gov
Cc: sjwright@bpa.gov
Subject: Please Save Our Jobs

Dear Senator Murray,
I have been a supporter of you for many years and I / We need your help. The recent power crunch in the Nortwest has caused a great impact in our area and the impact seems to only be getting greater. Where I work (Alcoa Intalco Works) we have one of the most efficent smelters in the world. Energy costs have already caused the layoffs of both my brothers from Georgia Pacific. Georgia Pacific, Boeing, Alcoa, and many many other industries have been effected and are leaving the area because of high power costs. Please continue to do your part from stopping the BPA from raising rates again. Help support us, and help me keep my family and I here, in the greatest place in the world.

Thank you,
David S Umbaugh

SN-03-W-1107